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I I

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The Bombay Chronicle

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INSURANCE
Nine Millions has thrived like Insurance during last 10 Years
I I

ROYAL ... OF THE BOMBAY BRANCH OF THE ... SOCIETY.

VOL. XIX NO. 50-- BOMBAY MONDAY, MARCH 2, 1931. PRICE ONE ANNA.

DELHI PEACE PARLEYS REACH CRITICAL STATE.

"HOPE HANGING BY THINNEST OF THREADS"

Congress Working Committee's New Proposals Before Viceroy.

MAHATMA'S AFTER-DINNER INTERVIEW WITH LORD IRWIN.

(From Our Special Representative.)

NEW DELHI, Mar. 1.

The gravity of responsibility for a breakdown was so great that it seems to have worked as the best on new lines of negotiations incentive for the resumption already led to a deadlock. When which on previous basis had Viceroy's House it was clear that Mahatmaji stayed long at the the fact that Gandhiji has gone fresh issues had been raised and tee and the Viceroy has summoned to consult the Working Committo meet again to-night at his Cabinet and that both hope that an eleventh hour attempt dinner time leads here to hope tion can be retrieved. has been made to see if the situa-

Hope hangs by the thinnest thread and it is faith alone which can strengthen it but the issue is in the charge of two god-fearing men who will strain every nerve to prevent a breakdown. But if the circumstances overwhelm one or other a deadlock would result and the hopes of peace would be shattered.

DELHI, Mar. 1.

Mahatma Gandhi left the Viceroy's House at 6 o'clock. Interviewed by the Associated Press Mahatma Gandhi said that conversations had not ended and they would be resumed.—A. P.

HOPING AGAINST HOPE.

—:o:—

NEW DELHI, March 1.

The Irwin-Gandhi conversations began at the Viceroy's House at 2-30 p.m. to-day. A settlement is most unlikely.—A. P.

LATER

The Viceroy is continuing the conversations which indicates re-examination of the problems involved.

This morning the Viceroy had a number of interviewers who included Sir James Crerar, Home Member, Sir Tej Bahadur Sapru, Mr. Jayakar and Mr. Shah Nawaz. All of them had an opportunity of explaining their viewpoints.

The prolongation of the conversations raises the hope that the earlier statement that a settlement is most unlikely may prove premature.—A. P.

Suspense Continues.

—:o:—

NEW DELHI, Mar. 1.

The prolonged Gandhi-Irwin interview is due to an examination of fresh alternative proposals which Mahatma Gandhi is stated to have put forward on behalf of the Congress Working Committee in answer to the points raised by the Viceroy's note sent to Mahatma Gandhi yesterday.

The suspense continues. Hopes of settlement have not yet been rekindled except that both sides are anxious to exhaust all avenues before breaking. The outlook is better.

WILL BE BACK TO VICEROY'S HOUSE.

Mahatma Gandhi consults the Congress Working Committee and immediately returns to the Viceroy's House to-night to resume conversations.—A. P.

—:o:—

GANDHIJI'S FRESH PROPOSALS.

—:o:—

NEW DELHI, March 1.

Mahatma Gandhi submitted fresh alternative proposals and the Viceroy's comments thereon to the Working Committee. He returns to the Viceroy's House in the evening to resume the conversation with the Viceroy.

Hopes have been re-kindled.—A. P.

—:o:—

Working Committee Impressed With Talks.

NEW DELHI, March 1.

The Congress Working Committee was favourably impressed with the conversations. Mahatma Gandhi meets the Viceroy at 9 to-night.—A. P.

—:o:—

Working Committee Considers New Proposals.

—:o:—

NEW DELHI, March 1.

The Congress Working Committee met this evening. There is a tone of optimism as it is understood the Viceroy's reply on the question of enquiry into police excesses was more accommodating. The Committee is examining the revised draft of the Viceroy's proposals. Mahatma Gandhi returns to the Viceroy's House at 9 p.m. and the interview might last till midnight.

"IMPERIAL STATESMEN" AGAIN.

It is understood that Sir Tej Bahadur Sapru and Mr. Jayakar who saw the Viceroy this morning pleaded strongly for accommodation on both sides.

The Viceroy's Executive Council held a meeting this evening.—A. P.

—:o:—

REMEMBER SHOLAPUR MARTIAL LAW PRISONERS

—:o:—

Mr. Ketkar's Wire To Mahatma.

—:o:—

Mr. G. N. Ketkar, President Maharashtra Provincial Congress Committee has sent a write to Mahatma Gandhi urging inclusion of Sholapur Martial Law prisoners in the General Amnesty or an impartial enquiry into the Martial Law cases. He has also requested the Mahatma to demand enquiry into the police excesses at Kalwan, Bilashi and Chirner.

—:o:—

EARLIER.

NEW DELHI, Feb. 28.

The Congress Working Committee did not meet this evening as originally planned, but will meet tomorrow morning at 8-30, but discussions over several proposals connected with peace talks have practically concluded, so that tomorrow morning's meeting will have very litttle to do with Ganhiiji's afternoon's interview with Lord Irwin.

BROKEN DOWN.

Conversations in Congress circles suggest that negotiations have practically broken down. At any rate this evening there was virtual abandonment of further peace prospects.

DEPARTMENTAL ENQUIRY.

The crisis is said to be due mainly to Governments attitude to Congress demand for independent enquiry into Police excesses. Lord Irwin's offer in this respect has been described by some congressmen as a purely departmental enquiry, to which they are not at all agreeable. Differences on other points do not seem to have been so fundamental as this one.

MORE LETTERS.

It appears that Mr. Gandhi has explained in his letter to Lord Irwin to-day his ideas of peaceful picketing. The letter from Lord was a brief one and did not effect any change in the Working Committee's unfavourable opinion of Lord Irwin's proposals. Mr. Gandhi's interview with the Viceroy is not expected to take much time and probably a statement will be issued after the interview embodying the results.

Some members of the Working Committee are expected to leave tomorrow night while Sir Tej Bahadur Sapru and Mr. Jayakar are definitely leaving Dehli tomorrow.—A. P.

INDIA'S SPOKESMAN

He tried for Peace by negotiation, but failed.

SAFEGUARDS—THE ROCK ON WHICH NEGOTIATIONS MAY BREAK.

DELHI, Feb. 27.

A Special Correspondent writing from Delhi, says:—

The Viceroy has received his instructions from the British Government. The delay evidently has not been in connection with the terms of the Truce, but with the Safeguards. Government having by this time known the demands of the Congress on the constitutional issue,—demands which they do not want to accept—are trying to make difficulties with regard to the terms of the Truce and is just possible that they will break off negotiation on one or two of these issues. Gandhiji is altogether unconcerner as to the results of the present negotiations. He is most concerned with National work. The boycott of foreign cloth must continue and he is busy discussing with workers how to make it a complete success. He is determined that when Swaraj comes, neither foreign cloth nor liquor should be sold in India.

STOP PRESS

GANDHI-IRWIN CONVERSATIONS TO CONTINUE TO-DAY. 3-10 A.M.

NEW DELHI, March 1.

Gandhiji returned to the Viceroy's House at 9 p.m: He was received by the Home Secretary and taken to the Viceroy, where conversations were resumed.

It is understood that the conversations will not conclude today but will be resumed on Tuesday.—A. P.

APPEAL TO CHRISTIANS FOR PRAYERS

—:o:—

For Gandhi-Irwin Talks

POET TAGORE ON HOPEFUL ATMOSPHERE

LONDON, Feb. 28.

Appeal to Christmas of all denominations to pray especially to-morrow and during the coming week for a full success of Gandhi-Irwin conference has been made by Messrs. Melbourn Aubrey, Willam Mccormick, Frederick Norwood, Herbert Workman and Presbyterian Reverend A. H. Gray as a result of a communication to them of a cable which Poet Rabindranath Tagore sent to the Secretary of Fellowship of Reconciliation, stating that a great change had occurred in Indo-British relationship and a hopeful atmosphere had been created and urging the need for prayer.—Reuter.

EXTENSION OF INSTIGATION ORDINANCE IN BENGAL

—:o:—

CALCUTTA, Feb. 28.

A Calcutta Gazette Extraordinary announced that the District of 24 Parganas will be a notified area for the purposes of the Unlawful Instigation Second Ordinance and the Arambagh Civil Disobedience Committee has been declared unlawful under the unlawful instigation ordinance.—A. P.

3 Youths Arrested For Selling Contraband Salt In Ahmedabad.

—:o:—

AHMEDABAD, Mar. 1.

Under the auspices of the local Naujivan Bharat Sabha a hand lorry containing contraband salt was taken out this morning for selling that salt. The police seized the lorry and arrested three youths.—A. P.

INDIA'S BANKRUPTCY BUDGET

—:o:—

NO REAL REDUCTION IN MILITARY BURDEN

Finance Member's Plea For All-India Services

DEFENCE OF DISASTROUS CURRENCY POLICY

Retrenchment Committee To Be Appointed

NEW DELHI, Feb. 28.

Sir George Schuster took about two hours to deliver his statement. The first hour was taken in explaining the revenue position of the current year and the prospects of the coming year and the only applause during this hour was when he referred to the decision to appoint a Retrenchment Committee.

Turning to his taxation proposals, when he referred to the high tax on beer and wine, there was considerable applause from Opposition Benches and Sir George Schuster joining in, the laughter commented, "I am glad to get one cheer at least."

GOOD SPEECH IN PARTS

The speech created a good impression as the best effort that Sir George Schuster could put under circumstances. There was, however, some kobby criticism of the detailed proposals for taxation from various sides representing the points of interested affected, and a vehement debate on the budget proposals is expected.—A. P.

SIR GEORGE SCHUSTER

Author of Bankruptcy Budget showing deficit of 14 1|2 crores.

SCHUSTER GETS ONE CHEER.

In the course of his speech introducing the Budget for 1931-32 in the Indian Legislative Assembly on Saturday, Sir George Schuster, the Finance Member, said:—

TRADE DEPRESSION AND FALL IN PRICES.

As a result of the fall in prices and the trade depression, practically all classes in all countries are suffering from a lack of purchasing power. It is too early yet to say whether the bottom of this movement has been reached, but in considering prospects for next year, I thinkit is necessary to reckon that as regards prices and the general volume of commercial activity throughout the world, recovery will be slow.

POLITICAL SITUATION.

Now, judging from questions which have been asked in this Assembly and discussions in the press, a good deal of interest has been taken in the question as to how much of the present economic depression in India is due principally to world causes, and how much to political disturbances in India and to certain special features of the civil disobedience movement. If discussion on this subject is to be used as a basis for a campaign of recrimination, that is a purpose to which I do not intend to lend myself to-night, but there is some practical importance in making an objective study of the situation in order to form an opinion as to the extent of improvement for which we may hope if normal internal conditions and confidence in the future can be restored.

So far as the total volume of India's external trade is concerned, the main course of events has been determined by world economic conditions. Exports have kept up well in volume, and the total imports have not declined to a degree appreciably out of proportion to the drop in the value of the exports. On the other hand, certain classes of imports have shown major variations from the normal—notably cigarettes and cotton piece-goods, but, as to the latter, it is necessary to remember that a part of the variation might have been expected as a result of the higher import duties imposed last year.

EXTERNAL TRADE.

As regards external trade there are some features which deserve special comment.

The visible balance of trade in favour of India (incuding private imports of treasure) for the first 9 months of the current financial year was 34.43 crores comparing with 41.62 crores for 1929, 39.76 crores for 1928, and 33.07 crores in 1927. The balance was therefore not strikingly worse than the average of the last few years and was actually better than in 1927.

As against this, of course, the value of trade has declined enormously—exports of merchandise for the 9 months being down by 61 crores, as compared with last year, and imports by 56 crores.

EXPORT OF COTTON.

As regards the export trade, the main facts to note are the large decline, both in quantity and value, of jute exports, and the satisfactory position, at least as regards quantities of exports, shown for Indian cotton. Exports of raw jute, on the nine months to date, show a fall of nearly 12 crores—a decline in value of 54 per cnt. and in quantity of 29 per cent. Cotton exports for the nine months are up to last year's level, but show a decline in value of 24 per cent. I should like to say something about cotton, for, although the present price is so unsatisfactory, this is an item which has certain very encouraging features for India's future, while there are important economic lessons to be learnt in this particular case. There is no doubt that Indian cotton is steadily gaining ground in the world's markets. For 1930 the total exports were 727,000 tons as against 702,000 in 1929. This increase is extremely satisfactory in times like the present, of diminished consumption throughout the world. Many manufacturers, especially in Lancashire, are now adapting their mills so as to substitute Indian for American cotton. The new Lancashire combine—the Lancashire Cotton Corporation—whose mills a year or two ago only took about 10,000 bales a year of Indian cotton, hope shortly to be taking upto 4,000 bales a week and eventually more than double this quantity. But the strength of the Indian cotton position depends on its price. It being bought because it is cheaper than American cotton. The relative price of Indian cotton forced up, the advantage will appear, and the tendency now going on for a change Indian cotton will be ... mention this because ... been frequent demands ... vernment should intervene ... port the price of cotton. We could not accept ...

(Continued on Page 7.)

Khadi Exhibition To Be Held In Karachi.

—:o:—

AHMEDABAD, Mar. 1.

The All-India Spinners Association states that a Khadi Exhibition will be held in Karachi during the Congress session. Sheth Popatlal Nagri, Municipal Councillor, has given notice of a resolution to be moved at the local Municipal Board to present an address to Mahatma Gandhi when he arrives here.—A. P.

BUDGETS LIKE THESE DRIFT COUNTRY TO NO-TAX CAMPAIGN.

Mr. Lalji Naranji's Penetrating Analysis Of Schuster Bankruptcy Budget.

Mr. Lalji Naranji made the following statement on the Budget Speech of the Hon'ble the Finance Member:—

The Budget presented by the Finance Member is of extra-ordinary interest and importance this year. I say "extra-ordinary because, in the words of the Finance Member himself, as mentioned in paragraph 2 of his speech, "the difficulties are mainly inherent in the present situation in India and that they require a common effort for their solution." In paragraph 3 of his speech, the Finance Member makes the following statement: "On the one hand, the economic situation could be more easily dealt with if we stood on more stable political ground, while, on the other hand, the political changes could be more easily effected if the country were not in the midst of these economic difficulties."

STABLE POLITICAL GROUND.

It is quite clear from the above remarks that the Finance Member realises that the solution of the present situation requires a common effort—common—I interpret by the people of India and the Government of India. He also realises the need for more stable political ground when the country stands on the eve of a fundamental change in the system of the Government to enable the country to secure political changes in the midst of economic difficulties. He is also realising that peace and co-operation in India might have a direct influence on world recovery though he admits that the recovery expected would be slow.

ANALYSING THE BANKRUPTCY BUDGET.

After laying down these preliminaries, let us examine what practical steps the Finance Member suggests to bring about the things that he acknowledges necessary for—

(1) the good of the people of India,

(2) for even the good of the (foreign) Government of India as at present constituted and

(3) for the world recovery.

This is no doubt a heavy responsibility and a perplexing one in the words of the Finance Member himself. I shall do my best to analyse such of the figures as are very relevent in the present circumstances of the country and other statements of the Finance Member and consider also simultaneously the economic demands of Mahatma Gandhi—the acknowledged and recognised leader of India today. If the Finance Member really wanted to secure stable political ground, how far has he met these demands? It is very disappointing to find that he has entirely failed in the expectation of the country, not because he fails to understand the economic figures, but because of the obstinacy of Great Britain, whose representative he is, to look the finances and who is, therefore, entirely responsible for the pre-

(Continued on Page 7.)

NON-VIOLENCE IS OUR SHEET ANC HO

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Situations Vacant.

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A 2619

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A R4465

WANTED IMMEDIATELY—PROVINCIAL CHIEF AGENTS for a Mutual Society. Salary Rs. 750 p. m. with other facilities. Apply with anna stamp to:—STANLEY. LIONEL & CO., Post Box 1237. Madras.
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WANTED—FIRST CLASS ENGINEER for Bombay and Upcountry Mills. Men with full knowledge and experience of Machinery and erection work need only apply with testimonials, stating least salary expected, to Box No. 724, Advt. Dept., "Bombay Chronicle."
A R4461

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WANTED IMMEDIATELY—A SENIOR ASSISTANT EDITOR for a leading English Daily Newspaper in Upper India. Salary up to Rs. 340 according to qualifications, with house rent. Appointment at present for six months. No one need apply who has not actually acted as Editor of an English daily. Applicants who have travelled in foreign countries and obtained training in England or America will be preferred. Apply to Box No. 713, Advt. Dept., "Bombay Chronicle."
A 2595

BENARES HINDU UNIVERSITY. —WANTED—A PROFESSOR of MECHANICAL ENGINEERING for the University Engineering College. Salary Rs. 1,000—50—1,500. A higher initial salary admissible for special qualifications. Fifteen years teaching experience in Engineering subjects specially Mechanical Engineering and design essential. Appointment to be made from the 1st of August, 1931, for five years subject to a year's probation, and the leave and Provident Fund rules in order.

Apply with copies of academic, professional and teaching experience, a medical certificate and a photograph, stating age and the starting salary requested to the Principal, Engineering College, Benares Hindu University, so as to reach him not later than April 5, 1931.
A 2612

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A R 4432

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A 2583

WANTED—Qualified Hindu Nurse for Hindu Lady Patient to stay day and night with her. Salary Rs. 200 per month with Boarding and Lodging. Apply Box No. 725, Advt. Dept., "Bombay Chronicle."
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Trade Announcement.

SWADESHI TEAS FOR SALE.—24 chests of each 70 lbs. Broken Orange Pekoe Tea available for immediate sale. Rate 9 annas per lb. Delivered Free by goods train. Ask for samples:—THE BLUE MOUNTAIN TEA CORPORATION, Mettupalaiyam. Tel.: "Syndicate."
T 4466

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M.

Public Notices.

RECEPTION COMMITTEE.
45th INDIAN NATIONAL CONGRESS.

Karachi 26th Feb. 1931.

WANTED.

OFFERS ARE INVITED for the sole right of Cinema films and photography within the Congress Nagar and Pandal which should reach the undersigned by not later than 10th March, 1931.

GENERAL SECRETARIES,
Indian National Congress.
2608

NEXT SESSION.
(13-4-1931 to 1-8-1931).
OF
THE TRAINING CLASS FOR OFFICERS OF LOCAL SELF-GOVERNMENT SERVICE.

Under the joint auspices of the Government of Bombay and the Loal Self-Government Institute opens at Poona, Bombay and Ahmedabad on and from Monday, the 13th April, 1931. Applications for admission will be received upto the end of March, 1931.

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NOTICE

SEASON TICKETS.

On and from 1st April, 1931, the rates of all Season Tickets on the Bombay Local Suburban Section (including "Through" and "two Route" Season tickets issued in conjunction with the G. I. P. Railway) will be increased.

Particulars of revised fares may be obtained from Station Masters or from the Undersigned.

H. P. BALL,
General Traffic Manager.
Bombay, 28th February, 1931.
2610

NOTICE

Mr. A. P. DARLOW and Mr. J. L. HAMILTON have been admitted partners in our firm as from 1st November, 1930.

GILL & CO.
4464

BOMBAY MUNICIPALITY.

FIRE BRIGADE DEPARTMENT.

APPLICATIONS ARE INVITED for the post of STATION OFFICER in the Bombay Fire Brigade on Rs. 200-10-350 p.m., with free quarters and certain allowances. Candidates should not be younger than 25 nor older than 30 years of age, and must be of good physique, educated, capable of commanding men and able to pass a test in Fire Brigade work.

Applications with full particulars should be sent to the Chief Officer, Bombay Fire Brigade, Byculla Bridge, Bombay on or before the 9th March, 1931.

(Sd.) A. R. DALAL,
Municipal Commissioner.
Bombay, 28th February, 1931.
2616

NOTICE

BOMBAY MUNICIPALITY.

APPOINTMENT OF A LEGAL ASSISTANT.

APPLICATIONS ARE INVITED for the post of a LEGAL ASSISTANT to the Bombay Municipality. The applicant must be a practising Solicitor and should state his age experience and qualifications. The selected candidate will be required to serve whole time and will not be allowed private practice. The pay will be according to qualifications but will not exceed Rs. 500/- per month. The selected candidate will be entitled to the benefits of the Municipal Leave Regulations and the Municipal Provident Fund. The appointment will be on probation for six months in the first instance and thereafter for such period or periods as may be deemed necessary. Applications should reach the undersigned by 31st March, 1931.

A. R. DALAL,
Municipal Commissioner.
Municipal Offices, Bombay,
Dated 28th February, 1931.

Auction Sales.

Messrs. BENNETT & Co.

AUCTION SALE OF VERY VALUABLE IMMOVEABLE PROPERTY AT GURUP DEO TANK, BUNDER ROAD, MAZAGON.

Under instructions from Messrs. Zaiwalla and Co., Attorneys for the Mortgagee Bai Avabai Rustomji Umrigar and pursuant to the power of sale given under an indenture of Mortgage dated the 17th May, 1929, and on account and risk of the Mortgagors Bai Jerbai, widow of Nanabhai Jamshedji Daruwala and Mr. Jamshedji Nanabhai Daruvala and with the consent of Messrs. Mehta Sons and Co., the submortgagees, Messrs. BENNETT and CO., will on WEDNESDAY, the 11th instant, at 4-30 p.m. (S.T.) sell by Public Auction on the premises:—

FIRSTLY:—All that piece of Government leasehold land together with the messuage, tenement and dwelling house standing thereon, situate at Gurup Deo Tank, Bunder Road, Mazagaon, admeasuring about 1,431 square yards, bearing Collector's Old No. 102, New No. 3|16336, Old Survey No. 689, New No. 2|3711, Cadastral Survey No. 596 of Mazagaon Division, and bounded on the North by Tank Bunder Road, On the East by land bearing New Survey No. 3708 of the trustees of the Port of Bombay, on the South partly by the leasehold land bearing New Survey No. 2A|3711 of Bai Navajbai, widow of Jamshedji Burjorji Daruvala and partly by the land bearing New Survey No. 16|3711 of Govind Damodar Mahatre and on the West partly by the said property bearing New Survey No. 2A|3711 of the said Bai Navazbai and partly by a public passage leading to Tank Bunder Road.

SECONDLY:—All that piece of Government leasehold land together with the meassuage, tenement, structures, buildings, dwelling houses, etc., standing thereon, situate at Gurup Deo, Tank Bunder Road, Mazagaon, admeasuring about 169 square yards, bearing Collector's Old No. 102, New No. 3A|16336, Old Survey No. 4250, New Survey No. 2A|3711, Cadastral Survey No. 597 of Mazagaon Division and assessed by the Municipality under "E" Ward No. 6256, Street No. 1 and bounded on the North and East by leasehold property bearing New Survey No. 2|3711 of Nanabhai Jamshedji Daruvala, on the West by public passage leading to Tank Bunder Road and on the South by the leasehold property bearing New Survey No. 16|3711 of Govind Damodar Mahatre.

For further particulars and conditions of sale apply to Messrs. Zaiwalla and Co., Attorneys for the Mortgagees, or to the undersigned.

AUCTION SALE OF VALUABLE IMMOVEABLE PROPERTY AT KAMBEKAR STREET.

Under instructions from the Court Receiver, Bombay, as the guardian of the minors Cassum Taramahomed and Alshabai daughter of Tar Mahomed Haji Aboo and pursuant to the directions contained in the Consent Order dated the 12th September, 1930, Messrs. BENNETT & CO., will (this day) MONDAY, the 2nd instant at 4-30 p.m. (S.T.) sell by Public Auction on the premises:—

All that piece of Fazandari land together with the messuage, tenement or dwelling house standing thereon situate at Kambekar Street, admeasuring about 80 square yards accprding to the earlier title deeds but actually admeasuring about 134 square yards, bearing Collector's New Survey No. 2994 (Part of), Cadastral Survey No. 1368 of Mandvi Division and assessed by the Municipality under B Ward No. 2595, Street Nos. 205-7 and bounded on the East by a Sweeper's passage, on the West by Kambekar Street, on the North by the property of Haji Ayub Allarkhia and on the South by the property of Haji Vahedina Haji Ebrahim.

For Further particulars and conditions of sale apply to Messrs. Thakordas Daru Hemany & Co., Attorneys for the Court Receiver or to the undersigned.

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Auction Sales.

GANDHI & Co.

SALE THIS DAY AT 4-30 P.M. (S. T.).

AUCTION SALE OF A PROPERTY AT MAHOMEDAN STREET OR GHELABHAI STREET.

Messrs. GANDHI & CO. Auctioneers will, under instructions from Messrs. Thakordas & Madgavkar, Attorneys for Nagji Motiji and others trading as Nagji Motiji & Co. the Mortgagees and on account and at the risk of Rehmabai and Hoorbai the Mortgagors and Abdul Razak Haji Ismail Aga the Sub-Mortgagor in pursuance of the Power of Sale contained in an Indenture of Mortgage dated the 25th June 1928 an Indenture of Sub-Mortgage dated the 23rd May 1929 sell by Public Auction the undermentioned Property on MONDAY, the 2nd day of March 1931, at 4-30 p.m. (S. T.), on the premises.

All that piece of Foras Land (cess redeemed vide R. R. No. 240 dated 24-5-1911) with dwelling house at Mahomedan Street or Ghellabhai Street 255 square yards registered by the Collector of Land Revenue under New No. D/13738 New Survey No. 7/3537 according to original deeds and New Survey No. 7/3575 according to the Extract of the Survey Register and Cadastral Survey No. 1684 Byculla Division and assessed by the Assessor and Collector of Municipal Rates and Taxes under E Ward No. 4058 (5) and street No. 245 D New No. 10, 12, 12A, Ghellabhai Street.

For further Particulars and Conditions of sale please apply to Messrs. Thakurdas and Madgavkar Attorneys for the Mortgagees or to the Undersigned.

GANDHI & CO.

Amusements

Rialto Talkies
DAILY AT 6-30 AND 10 P. M.
Special Matinee on Wednesday at 4 P.M.
An Action Picture of A Unique Kind
RAMON NOVARRO
AN A MUSICAL ROMANCE
Devil-May-Care
Thrilling You with his Songs Throughout
An All-Talkie Success with Enchanting Technicolour Scenes!

Globe Cinema
Sandhurst Road.
5-15, 7, 8-45 and 10-30 daily.
Saturday, Sunday, Tuesday, Wednesday, and Friday Matinees at 3-30 p. m.
A Greater Production in 11 Reels
CARLO ALDINI
CARLO ALDINI
IN
"TWO INFERNAL DAYS"
A Drama packed with Romance—teeming with humor, thrills and suspense—all leading to sacrifice and finally happiness!
DON'T MISS!

BOMBAY WIDOWS' PENSION FUND
(Established 1876.)
23-25, Hummum Street, Fort. Above Messrs. Warden & Co.
Funded Capital Rs. 2,87,300.
Investments in Government and Approved Securities only.
Perfect economy in management. The supervision as to Rates, Mortality, Investigations and Valuation was entrusted to an experienced European Actuary.
The object is to make provisions for the widows of subscribers to a monthly pension from Rs. 5 to Rs. 50 without distinction of caste or creed. Rates of subscription are very moderate. 80 per cent. surrender value in case the wife pre-deceased. Twelve months' grace if occupation is lost.
25 per cent. Commission to Canvassers on first 12 months' subscription.
For details apply for a copy of Rules to:—
GJAANAN SADANAND DESAI.
Secretary and Treasurer.

PATHE
DAILY AT 6-30 and 10 P. M.
Matinee on Wednesday and Thursday 4 P. M.
YOUTH TRIUMPHANT!
Youth, flaming, joyous, exuberant, determined to LIVE! And on the other hand money, wealth, selfishness, greed, intolerance An amazing ...ory
With a rich and talented cast of five great stars and a supporting cast of enormous quality. See it!
PATHE presents
HOLIDAY
with ANN HARDING · MARY ASTOR · EDWARD EVERETT HORTON
ROBERT AMES · HEDDA HOPPER · Pathe Picture

THE WATER SHUTE
THE WATER SHUTE
THE WATER SHUTE
With a thrill a Second now erected and completed at the enormous cost of
£10,000 £10,000 £10,000
For the First Time in India
FREE SURPRISES — FREE PRIZES
FREE Rs. 200 FREE
NIGHTLY AT
BOMBAY'S PLEASURE RESORT
LUNA-PARK
Grand Easter Season Commencing Wednesday 4th March.
Nightly at 6 P.M. Admission to Grounds Annas 2

The Excelsior
6-30 and 10 p. m.
A TALKING PICTURE that speaks for itself
BLACK MAIL
Featuring
ANNY ONDRA
JOHN LONGDEN
DONALD CALTHROP
A swift moving story of a thousand thrills and breadth taking scenes such as you have never seen in the wildest flights of your imagination.

EMPIRE THEATRE.
6-30 and 10 p. m.
ELSTREE CALLING,
With a galaxy of stars too costly to present in any one Music Hall show
including
WILL FYFFE
The famous Scotch Comedian
DONALD CALTHROP
and
ANNA MAY WONG
in their great Shakespearean Burlesque "The Taming of the Shrew"

ROYAL
Opera House,
6-30, 8-15 and 10 p.m.
WARNER BROS. PICTURE
FIVE and TEN CENT ANNIE.
Featuring
LOUISE FAZENDA
What happens when a doll blonde goes on a Vampage.

EMPRESS
TALKIES
6-30 and 10 p. m.
Behind That Curtain
Featuring
WARNER BAXTER
LOIS MORAN
Scotland Yard—India—an Asian Desert—and a woman.
HEAR THE CHANT OF THE ARABIAN CAMEL ORCHESTRA AND THE PUNJABI LOVE SONG.

THE CAPITOL
TO-DAY at 6-30 and 10 p. m
Special Matinee on Wednesday at 4 P. M.
A Drama of Intense Heart Appeal
REDEMPTION
REDEMPTION
featuring
JOHN GILBERT
In his First Talkie Triumph
ALSO
M.G.M's. Comedy Sensation
THE
DOGWAY MELODY
A Comedy Novelty with Dog's Impersonating Famous Musical Revue Stars In Songs and Dances
An Entertainment in itself

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TRADE AND FINANCE.

—:o:—

PRE-BUDGET HESITANCY

Erratic Fluctuations In Silver

WEEKLY MARKET REVIEWS

(From Our Special Correspondent)
Bombay, Feb. 27.

MONEY.

Very steady conditions prevailed in the money market this week with call rate quoted about 6 to 6½ per cent. and the demand for funds for financing crops continued unabated. Fair amounts are being invested in treasuries but this week's renewals amounting to Rs. 242.25 lakhs are less than maturities by Rs. 9.26 lakhs. Through the latest statement of the bank shows a decrease of Rs. 116.55 lakhs in the trade demand this is considered to be of a temporary nature. Government have invited for next Tuesday tenders for nine months treasuries along with three and six months usance This action is viewed favourably by the market since 9 months bills will afford an opportunity for investment over the whole of the slack season. It is generally felt that there will be good demand for these bills. The following are the fixed deposit rates one month 6 per cent, two to three months 5-3/4 per cent and six months 5 per cent.

The statement of the Imperial Bank of India as of 20th February 1931 shows an increase of Rs. 136.72 lakhs in the cash balance now amounting to Rs. 9,55,20,000 as compared with Rs. 16.05 crores at this time last year. The percentage of cash to liabilities is 11.01, an increase of 1.55 per cent over last week. Loans and cash credits are down by Rs. 113.25 lakhs and Rs. 5.56 lakhs respectively, while Inland bills discounted are up by Rs. 29.33 lakhs Government deposit's have risen by Rs. 23.30 lakhs to Rs. 9.38 crores and other deposits by Rs. 20.98 lakhs to Rs. 72.33 crores. The Bank rate stands unchanged at 7 per cent.

GILT EDGED MARKET.

Pre-Budget hesitancy dominated all markets. Movement in gilt-edged securities were narrow and prices were easier with 3-1/2 per cent. Paper declining to Rs. 61-7 5 per cent 1945-55 Loan advanced from Rs. 99-11 to Rs. 99-15 and 5 per cent 1929-47 closed at Rs. 94-3 on some purchases by banks. 1933 and 1935 loans eased to Rs. 98-15 and Rs. 95-4 respectively. 6 per cent Bonds due 1931 and 1932 receded to Rs. 100 and Rs. 100-14, and 1933-36 is quoted at a discount of seven annas. 6-1/2 per cent Bombay Development Loan eased to Rs. 104-2. 4 per cent. 1960-70 loan lost about 5 annas to Rs. 73-3 and 1934-37 to Rs. 88-8. 4-1/2 per cent 1955-60 loan further declined to Rs. 82-12 and 1934 bonds to Rs. 94-7.

TREASURY BILLS.

Tenders for Rs. 2 crores of six months and three months treasury bills were opened on Tuesday the 24th February 1931. Total amounts offered were Rs. 8 lakhs and Rs. 86 lakhs respectively. Tenders for six months bills at Rs. 97-4 aggregating Rs. 7,75,000 were accepted in full. Tenders for three months bills at Rs. 98-6-0 and above were accepted in full. All lower tenders were rejected. The total amount of accepted tenders for three months bills was Rs. 77,00,000. The average rates of accepted tenders for six and three months' bills were Rs. 5-8-0 and Rs. 6-8.0 per annum respectively.

Intermediate six and three months treasury bills will be issued from Wednesday the 25th February to Monday the 2nd March 1931 at Rs. 97-4-6 and Rs. 98-6-6 per cent respectively. Intermediate six and three months treasury bills sold from 18th to 23rd February amounted to Rs. 9,50,000 and Rs. 148,00,000 respectively.

Tenders for nine months, six months and three months bills to the amount of Rs. 2 crores in the aggregate will be received on Tuesday the 3rd March. Successful tenderers should make payment of the amount of accepted tenders on Friday the 6th March 1931. Other conditions are as usual.

The Currency return of the 22nd instant shows a small increase of Rs. 3.97 lacs in notes in circulation which now amount to Rs. 158.54 crores. Silver coins have increased by Rs. 41.18 lacs to Rs. 115.51 crores and silver bullion under coinage by Rs. 15.73 lacs to Rs. 5.97 crores. Gold bullion have declined by Rs. 41.62 lacs to Rs. 23.96 crores. The metallic reserve ratio is 91.74 as against 91.67 a week ago.

Combined statement.

EXCHANGE.

Steady conditions continued in the Echange market with ready T. T. quoted at 1s. 5-3/4d. with very few buyers at 1s. 5-25/32d. Some export bills were placed for near delivery, but the main strength comes from the money position. Forward rates were little altered at 1s. 5-23/32d. for March; 1s. 5-21/32d. for April; 1s. 5-9/16d. for May and 1s. 5-17/32d. for June.

The dollar sterling quotation improved during the week from $4.85-5/8 to 4.85-29/32, but closed at 4.85-3/4. French francs depreciated to 123.95. The Belga and Italian lira were unchanged at 34.84-1/2 and 92.80 respectively.

A press communique of the Deputy Controller of Currency states that remittances to the Home Treasury for the week ending 21st February 1931 amounted to £466,200 of which £106,200 were on account of sales of sterling. The total remittances to the Home Treasury since April last amount to £14,045,086 including £5,655,886 remitted to meet sales of sterling.

Sea-borne trade.

GOLD.

Quiet and dull conditions prevailed in the gold market and ready rate declined from Rs. 21-6-0 to Rs. 21-5-0 per tola. The upcountry demand shows no improvement and stands at some 6,000 tolas a day while stocks on hand are estimated at 2 lacs tolas. Sovereign rates were also unchanged ready being quoted at Rs. 13-9-0 and delivery 2nd March at Rs. 13-9-3. In London the quotation for gold after declining to 84s. 11d. in mid-week closed at the opening rate of 84s. 11-1/2d. In our market the highest and lowest rates were Rs. 21-6-0 and Rs. 21-5-0 for ready, Rs. 21-6-9 and Rs. 21-5-3 for 6th March settlement and Rs. 21-8-6 and Rs. 21--7-3 for 7th April settlement. The incoming mail is expected to bring £17,500 gold. Inclusive of these arrivals and exclusive of the present week's shipment the total visible supply from London to India is about £49,500. The total imports during the week amounted Rs. 560,734 in bar and coin. This week's shipment from London is expected to be £30,000/-.

SILVER.

Although the silver market fluctuated somewhat erratically during the week, the general tone was steady, as a result of improvement in the Shanghai tael. The rise in London during the week on covering orders both from India and China was not maintained and prices eased off in all the principal markets towards the end. An important feature in the local market was the rise in the price of ready from Rs. 42-8 to as much as Rs. 44-3 but it declined towards the close to Rs. 43-5 per 100 tolas. While March delivery, after improving from Rs. 37-2 to Rs. 37-15, declined to Rs. 37-6. Various rumours regarding the General Budget to be published to-morrow are responsible for this anomalous movement. All the principal silver markets are watching the Indian Budget with great interest on account of the present exceptional circumstances. The volume of business transacted both for ready and forward was on a large scale. The daily offtake has slackened to about 300 bars and heavy arrivals to the extent of about 5500 bars have augmented stocks on hand to about 10,000 bars. In Shanghai the tael after improving from 1s. 1-7/8d. to 1s. 2-11/16d. declined and closed at 1s. 2-3/16d. In London the highest and lowest rates were 12-3/4d. and 12-3/16d. for ready and 12-5/8d. and 12-1/16d. for forward. In our market the highest and lowest rates were Rs. 44-4 and Rs. 42-8 for ready, Rs. 37-15 and Rs. 37-2 for 9th March settlement and Rs. 37-14 and Rs. 37-0 for 7th April settlement. The incoming mail is expected to bring £157,500 silver. Inclusive of these arrivals and exclusive of the present week's shipment the total visible supply from London to India is about £231,500. The total imports during the week amounted to 5,565 bars and Rs. 19,251 in coin. This week's shipment from London is expected to be £13,500.

SHARES.

Improved raw cotton prices combined with good offtake for locally manufactured cotton piecegoods helped to maintain an active tons on the Stock Exchange. The coming Budget and the consummation of peace negotiations at Delhi will not be without their effect on the prices of shares. The following are the fluctuations in some of the leaders:—Bombay Dyeing Rs. 668-12, 672-8 and 661-4; Century Rs. 256-4, 255, 256-4, and 248-12; Central India Rs. 365,, 367-8, 362-8 and 363-12; Crescent Rs. 71-4 and 70; Fazulbhoys Rs. 358-12, 368-12, and 360; Indian Bleaching Rs. 108-12 and 109-6; Indore Malwa Rs. 350, 348-12, and 350; Kohinoor Rs. 138-12, 140 and 137-8; New Great Rs. 166-4 and 161-4; Pearls Rs. 237-8, 238-12, 232-8; Simplex Rs. 68-12 and 66-14; and Swadeshi Rs. 280, and 273-12.

In the miscellaneous section Tata Steels were weak, Ordys declined from Rs. 25-12 to Rs. 22-10 and Defds from Rs. 283-12-281-4. Among Hydro Electrics, Tata Hydros advanced from Rs. 106-14 to Rs. 107-13 and Tata Power from Rs. 441-4 to Rs. 460, while Andra Valleys declined from Rs. 610 to Rs. 608-12. Alcock shares maintained the level of Rs. 165, while Bombay Burmah shares lost 10 points to Rs. 460. Bombay Trams were steady at Rs. 118-12 and Bombay Steams at Rs. 172-2. Bundi Cements were almost unchanged at Rs. 13-10, while Indian Cements receded from Rs. 183-12 to Rs. 172-8. Katni Ordys. were a bit easier at Rs. 148-12 with Defds. quoted at Rs. 593-12. Ahmd. Prantij railway shares improved from Rs. 805 to Rs. 813-12, while Cen Provinces and Gujarat Railways declined to Rs. 85 and 62 respectively. Tapti Valleys are down by Rs. 10 to Rs. 662-8.

Imperial Banks dropped from Rs. 1,090 to Rs. 1,070 and Contributories to Rs. 261-4. Bank of India shares were quoted at Rs. 84-4x.d., while Central Banks were steady at Rs. 15.

CALCUTTA.

Hessians declined during the early part from Rs. 9-9 to Rs. 9-3, but towards the close they firmed up and closed at Rs. 9-8 on official announcement regarding further restriction of production by the Indian Jute Mills Association at Calcutta. Jute shares in the Calcutta market moved sympathetically and closed firm.

STAMP ACT.

The Government of Bombay propose during the current session of the Legislative Council to amend the Indian Stamp Act, 1389 in its application to the Bombay Presidency effective 1st April 1931. The bill provides that an agreement relating to forward delivery and a note or memorandum from a broker to his principal relating to a forward transaction shall not be admissable in evidence unless it is duly stamped. The scales applicable to various markets are as follows:—

If relating to the sale of a bill of Exchange.

If relating to the sale of a Government security or share in an incorporated company or other body corporate.

If for or relating to the sale of purchase of goods or merchandise for forward delivery.

If not otherwise provided for.

Of any stock or markettable security exceeding in value twenty rupees.

Of goods for forward delivery.

Four annas.

One anna for every Rs. 1,000 or part thereof of the value of the security or share.

One anna for every unit of transaction or part thereof.

Explanation of Unit:—

In transactions relating to the purchase or sale of cotton,—50 bales of cotton, a bale of cotton being equivalent to the quantity of cotton weighing approximately 392 lbs.

In transactions relating to the purchase or sale of silver bullion, —one bar of silver, a bar being equivalent in weight to 2,800 tolas.

In transactions relating to the purchase or sale of gold bullion, —250 tolas of gold, a tola being equivalent in weight to 180 grains troy.

One rupee.

One anna per every Rs. 1,000 or part thereof of the value of the stock or security.

One anna for every Unit of transaction or part thereof.

Central Bank Of India, Ltd.

—:o:—

NET PROFIT OF RS. 1,763,000 FOR 1930.

HALF-YEARLY DIVIDEND OF 6 P. C. DECLARED

Central Bank of India, Limited, have published their Thirty-sixth Report of the Board of Directors which was be submitted before the general meeting held on Friday (27th February):—

The Directors beg to place before the Shareholders the Balance Sheet and Profit and Loss Account for the year ended 31st December 1930.

	Rs.
The Net Profit for the year ended 31st December 1930, including the sum of Rs. 3,70,663-14-9, brought forward from last year's account, amounts to	21,33,981-3-7
An Ad-Interim Dividend was paid for the half-year ended 30th June 1930, at the rate of 6 per cent. per annum, free of Income-Tax on 6,72,528 Shares absorbing	5,04,396-0-0
Amount transferred to Lands and Buildings Account	2,00,000-0-0
Amount transferred to Bank's Investments in Government Paper, Gilt-edged and other Securities	3,25,000-0-0
Amount provided for Income-Tax and Super-Tax	1,00,000-0-0

The Balance of Rs. 10,-04,585-3-7 the Directors now propose to dispose of as follows:—

To pay a Final Dividend for the half-year ended 31st December, 1930, at the rate of 6 per cent. per annum, free of Income-Tax, i.e., annas twelve per Share, on 6,72,528 Shares which will utilize	5,04,396-0-0
To carry forward to next year's account	5,00,189-3-7
	Rs. 21,33,981-3-7

IMPROVEMENT IN DEPOSITS.

The shareholders will note with satisfaction that in spite of the world-wide trade depression our Deposit figures during the year under report improved considerably. The figures for the last three years are as follows:—

Period	Total Deposits	Profits
	Rs.	Rs.
31st Dec., 1928	14,44,00,000	15,53,000
31st Dec., 1929	12,64,00,000	13,48,000
31st Dec., 1930	14,81,00,000	17,63,000

One of the Directors, Mr. Beniprasad Dalmia, resigned during the year and Mr. Sheriff Dewjee Canjee was invited to join the Board. He retires under Article 86 and you are requested to re-elect him. One of the Directors, the Hon'ble Rai Bahadur Lala Ram Saran Das, C.I.E., retires under Article 94 of the Articles of Association. He is eligible and offers himself for re-election. One of the Directors, Sir Bissessardas Kasturchand Daga, Kt., retires under Article 94 of the Articles of Association, and does not offer himself for re-election. Sir Bissessardas has expressed his desire, in the interests of the Bank, to retire from the Board as he is not keeping good health and under medical advice he has to remain at Bikaner and is not likely to return to Bombay for a long time."

—:o:—

GOOD DEMAND FOR COTTON YARN.

—:o:—

Cheerful Tone

Bombay, Feb. 25.

The yarn market has remained very firm during the week under review and although prices have not advanced any further in sympathy with further rise in cotton the undertone has been very steady all throughout. Whilst the mills have been quoting higher prices than before the dealers have been trying to sell off their holdings purchased some time back at cheaper prices and to register their profits before making further fresh purchases from the mills. It is quite natural that the consuming centres are not able to follow such a rapid advance in the rates of cotton as well as in the rates of yarns and therefore most of the offers that have been wired out have been turned down and the business resulting has been small. The upward trend in prices however has been thoroughly grasped by the consumers and it is very likely that if cotton remains steady and at or about this level and does not decline materially the consuming centres will have to revise their ideas regarding prices particularly because on account of sharp rise in cotton our mills are not in a position to make any fresh sales at lower rates. Dealers have been optimistic during the whole week regarding the prospects of business in Indian yarns on account of peace negotiations which have been going on in Delhi between the Congress and the Government and if these negotiations materialize and bring about peace as has been expected there will naturally be further confidence in business and prices will show some further improvement. The important event during the week has been the improvement in the Southern Indian markets all-round and whilst there have been various inquiries from each and every corner from Southern India the prices offered are yet very low but there appears every chance of the Southern Indian buyers giving full prices in the next few days. On the whole the outlook seems to be more hopeful than the last several weeks and the prices will not improve much further turnover will certainly improve gradually and more satisfactory sales will be arranged between mills, the dealers, and the consumers in the next few days.

English Yarns: There is practically no business in these class of yarns except that dealers have been selling their stocks at very heavy losses and for fear of strong picketing in this class of yarns fresh buying is very limited and only for well-known chops although Manchester prices are comparatively more favourable for certain yarns fresh business is almost negligible.

Artificial Silk Yarns: In spite of weakness experienced in forward quotations from several European makers there has been a good demand for ready goods in the local market and there has been a lot of speculative buying in evidence during the last few days mostly due to various rumours about a substantial increase in customs duty in the next budget which will be out on the 28th instant. In the hope of realising profits dealers have invested their moneys in this class of yarns to their utmost capacity and stored their goods in their godowns. It is very doubtful at this stage to forecast anything about the increase or otherwise in duty but it is beyond doubt that if there is no increase in duty which is not improbable, there will be a pressure of sales from the dealers' stocks and naturally prices will have to decline during March. If however there any increase in duty there will be accordingly improvement in prices but not to the extent of the rise in duty on account of big stocks and heavy arrivals during January and February. It is to be particularly noted that this heavy buying has been made by the middle men and not by the consumers who evidently are not able to make purchases at these prices inasmuch as it does not pay them to sell their cloths with any profit on the basis of the present level of prices.

Japanese Yarns: Prices have much improved in this class of yarns because of the shortage of stocks particularly in mercerised yarns and better inquiries in many cases due to rumours of increase in duty. Actually demand from the consumers is very limited. Forward business is entirely small.

Indian Yarns: A cheerful tone prevails in this class of yarns during the last two to three weeks and the outlook is indeed very hopeful. During the last several months we have not experienced such a sort of confidence amongst dealers in Indian yarns as we find them at present. It is reported from several sources that the prices have advanced very rapidly and that it does not suit the weavers to make sales of their cloth with any profit on the basis of the present level of prices. It is however possible that in course of the next few weeks if peace becomes a certainty further confidence will be restored and on further improvement in cotton prices the consumers will certainly be in market for yarns. On the whole the feeling is evidently very optimistic and whilst we do not expect any further improvement in prices of yarns we feel that the present level will be maintained and our mills will find better sales if they take full care to see that the prices are not raised to a level unduly high and unsuitable.

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IT'S WITHOUT EQUAL!

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It is an entirely new, strikingly individual Hupmobile Straight Eight—at a price hitherto unknown in the Hupmobile line—and it offers standards of performance and luxury hitherto unknown at anywhere near its price—never offered by any other maker! Remarkably powered—delivering over 75 miles—incredibly smooth, silent miles—per hour—it is a remarkable achievement in effortless motoring. A Hupmobile achievement! See it!

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Absolutely pure, Manufactured on the modern scientific style, Guaranteed to contain no injurious chemicals. Lasts much longer than any other soap of this type. Best for bath. TOILET or washing clothes. To save time, Labour and money get a Box of SAIFY. Once satisfied you will never ask any other besides Saify.

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PAIN BALM (Regd.)

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(LIFE) INSURANCE Co.'s (PROVIDENT)

Head Office:—AMRUT BUILDING, Dougal Road, Ballard Estate, BOMBAY.

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Film discolors teeth and then destroys them. Dentists urge a special way to remove it.

DENTAL science in studying the commoner tooth and gum disorders finds their chief source to be a coating on teeth known as film.

Run your tongue across your teeth and you will feel this film. It absorbs stains from food and smoking and turns white teeth dull. It clings to teeth, gets into crevices and stays.

Film hardens into tartar. Germs by the millions breed in it. And germs, with tartar, are the chief cause of pyorrhea. Dentists urge the special film-removing dentifrice called Pepsodent.

First, Pepsodent curdles film, then removes it in gentle safety to enamel. No other way will make teeth as sparkling white.

Pepsodent contains no pumice, harmful grit or crude abrasive.

Accept Pepsodent Test

To prove results buy a tube of Pepsodent. The quality dentifrice—for sale everywhere. Or send for 10-day free test to: J. P. Cronin, P. O. Box 98, Calcutta.

Pepsodent

The Special Film-Removing Dentifrice

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EXCELSIOR 18-Carat Rolled Gold Made in France

10 Years Guarantee SLEEVE LINKS

RICH IN DESIGNS, WORKMANSHIP & FINISH

FOR SALE IN ALL SHOPS

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By using Kerala Soap Institute's Toilet and Washing SOAPS made entirely by INDIANS under INDIAN Supervision at CALICUT, you can encourage the SWADESHI movement. The Soaps are purest in quality and are in no way inferior to foreign Soaps of the highest grade.

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ANKHI-KHOOSH

(EYE DROP)

It promptly cures sore and mattering eyes, itching and watering eyes, and red and inflamed eyes sensitive to light. It relieves headache due to tired or strained eyes. Cures like magic Conjunctivitis (Ophthalmia) from whatever cause and ulcers in the eyes. Stops recurrence of sty. Best remedy for Infants and Adults. In old people cures watering of eyes and clears vision.

NON-POISONOUS — NON-INJURIOUS — NON-IRRITATING.

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Racing News In Bombay

LATE MAJOR HUGES

(BY CERBERUS.)

Public interest has been centred this week on racing topics in Bombay. The victory of Star of Italy in the three events for which he competed has caused much admiration for this valiant son of Caligula. The death of Major J. E. Hughes, the popular Secretary of the W. I. T. C., has cast a gloom in sporting and social circles. The erratic handicapping has caused much comment and has been noticed by all the papers. The Bill for the re-introduction of Book-makers to the Bombay and Poona race courses is causing much speculation, and no one can foretell what fate it will meet. It is remarkable that it has taken the racing authorities eighteen years to realize that the absence of the book-makers is gradually ruining racing here. Ever since the abolition of the books in 1912, the "Chronicle" has never missed the opportunity to point out this fact. Readers of this paper will surely remember that it has been frequently urged in these columns that the absence of the book-makers, besides encouraging the existence of numerous bucket shops, has turned racing here into anything but a noble sport. It is certainly not in Bombay that it may be called the "Sport of Kings". Any one familiar with the sickening secrecy that punters of all classes are alleged to maintain with one another, the eternal conflict between the stables and the public, the usual failure of favourites to materiollze, and many other ugly features connected with racing may be traced to this constant ambition of the parties concerned, viz., to get the best possible odds on the Totalizators. Owners and trainers simply cannot offord to be communicative to people they would wish to favour. They simply cannot; while there would be no reason why they could not be so if the "books" were operating here. People to a great extent have become used to this, but there can be no doubt that real sportsmen are not very keen on this sport as it is conducted on this side.

THE HANDICAPPING.

The bad handicapping this season has been fully criticised and is the talk of the town. It has been condemned by every experienced sportsman. It is all pure non-sense as a defender of the handicapper insists in a contemporary that people are always wise after the event. His letter which was signed H. C. does not contain a word to justify the handicapping of Star of Italy against Spanish Wish. It is true that every bad case has its advocate. Here unfortunately for the handicapper the initials H. C. make one very suspicious that the writer of that letter belongs to the family circle, and may be seen any race day in a box not for from the winning post. What surprises one in this affair is that the W. I. T. C. seems to be very unfortunate with its handicappers. Every one knows the part that the "Chronicle" has played in the past in pointing out the vagaries of certain handicappers. Yet the W. I. T. C. continues to import such officials from abroad as if no experienced sportsman can be found locally to fulfill this duty. Why should military officers always be selected for this post? One can possess a good knowledge of racing and horses without being a military officer. As a matter of fact, it takes a long time before an imported handicapper learns Arab Horses, and he often never succeeds in knowing them at all. The late Mr. Cursetjee Dhunjishaw who was a very experienced handicapper learnt his work here and was very good at it.

THE LATE MAJOR HUGHES.

The death of Major J. E. Hughes, the Secretary of the W. I. T. C., was rather unexpected. It is keenly regretted by a large number of people who came in contact with him. He was pery popular with owners, trainers and jockeys, and most of them were present at Sewree at his impressive funeral. It was very touching to see the large number of Arabs who attended his funeral. He was very popular with them. Every employee, even the most humble menial of the W. I. T. C., says that Major Hughes was very kind to him.

It is always the custom not to say anything unkind of the dead. I am sorry to notice that the death of Major Hughes has given the occasion for a paper to belittle him no doubt unwittingly, —but all the same the silly drivel about his supposed witticism and "Obiter dicta" in the Current topics column of a contemporary will digust anybody The late Major Hughes is represented in that column is being very contemptous of the Labour Government. He could not, it appears, disguise his conservative habits of thought. According to him only the Conservatives may be compared to thoroughbred horses, the rest are "betes de somme" not fit to be in a decent stable! I knew the Major to be a person with abrupt manners and rather doser in his way, but I cannot believe that he was a vulgar snob. I cannot imagine that because he found his way in a Club that apes the Aristocracy here, in India, he really imagined himself to be an aristocrat. Had he expressed such thoughts in England he would have been ridiculed if any body thought him important enough to be noticed.

PROPOSAL TO AMEND STAMP ACT.

It Will Drive "Forward" Business From Bombay.

INDIAN SHARE-BROKERS' PROTEST.

The following memorandum has been sent to the Government of Bombay by the Native Share and Stock Brokers' Association, regarding Proposed Amendment in the Indian Stamp Act.

While conceding that blank transfer stimulate speculation and that the limitations and restrictions sought to be placed on the life thereof by the proposed legislation will go a great way in checking and restraining speculation my Committee believe that its consideration cannot be divorced from the consideration of the question of reduction in Stamp Duty on the transfer of shares. The proposed amendment is certain to restrict considerably forward business. It will destroy the free circulation of securities and free flow of investment capital that is so desirable in public interest and thereby retard the growth of industries of the country

In support of our statement we cannot cite better authorities than the opinion of two very influential Committees, viz., the Atlay Committee and the Taxation Enquiry Committee. At page 12 of their Report, the Atlay Committee recommend. "It is however, generally agreed that if the blank transfer is abolished the duty payable on transfers must be reduced, for it is contended that otherwise there would be no forward dealing and "we think there is no doubt that forward dealing would be much restricted." The interest payable on loans, commission to the broker and the duty payable on transfer would, it is argued, render necessary so large a rise in the price of the security purchased before a profit could be secured as to deter the speculative investor from entering into transactions involving considerable risk. It is obvious, therefore, that a more rigorous "enforcement of the present transfer duty might curtail legitimate business."

We are surprised to find that Government should have precipitated into the present legislation in the face of the findings of the said Committees. By their two letters of the 18th April 1928 and 5th June 1928 the Indian Merchants' Chamber requested Government to reduce the Stamp Duty on transfers of shares thereby giving relief to the industries of the country as well as to the public. We do not desire to tread the ground already covered in these letters. An excerpt from Government's reply No. 6051-A dated 7th May 1928 would be a very fitting reference to the subject. "There is at preent, no control on transfers and the question of making them bad delivery presents considerable difficulties, as "uniform action all over India is obviously required" to make the control effective. and for this, legislation will probably be necessary."

In spite of such an assertion my Association is at a loss to understand the sudden change of attitude on the part of Government. Unless uniform action is taken all over India, a step in this direction is calculated to drive away forward business in shares to other presidencies at the expense of the Bombay Presidency. Besides. such legislation would be an inducement to companies in the Bombay Presidency either to issue bearer shares or to keep their registered offices in Native States.

HARDSHIP ON BORROWER

In the present Bill no provision is made for loans and advances against deposit of shares as security. Under the proposed legislation a borrower would be compelled to have the shares transferred to the name of the lender at the time of borrowing money on their security. When the loan is repaid the shares will have to be re-transferred to his name. It seems to my Committee that the immense hardships which this legislation would inflict on the borrower have escaped the notice of Government. Badli business is the main stay and the backbone of forward business, and without such business forward business will hardly be worth its name. The result of such legislation would be that the forward business will be totally crippled, if not abolished, with the evident consequence that the revenues of Government instead of being enhanced as contemplated by them will necessarily drop down. My Committee therefore suggest that necessary exemption in cases of pledges of shares and badli business should be made as provided by the English Law by making the Stamp Duty on such transfers only nominal.

If the proposed amendments are made, a pledger of shares by way of Badli would have to pay 9 per cent per annum by way of Stamp Duty only which when added to the amount of interest he has ordinarily to pay would come to something like 15 per cent at the minimum, a ridiculously high rate of interest which no borrower could afford to pay. The consequence would be that transactions on the Bombay Stock Exchange will be reduced to business on Cash basis only and the effect of the legislation would be tantemount to a repeal of the Securities Contracts Control Act, thereby creating a very anomalous situation.

FORWARD BUSINESS WILL BE KILLED.

My Committee would further beg to point out to Government that limitation of the life of a blank transfer to 3 months' period presents enormous difficulties in the settlement of shares through Clearing House. A speculator taking delivery of shares will be enabled to keep the transfers blank for a period of three months during which he will get ample opportunities to sell them at an advantage and save to himself a lot of Stamp Duty. You will thus see that during the period of three months a blank transfer will be hawked about the market until eventually it comes into the hands of an unfortunate purchaser who would be compelled to have it registered as otherwise it would be time barred. This would entail great injustice on the last purchaser who would be unnecessarily penalised. The result would be that all purchasers would insist on having transfers having a three months' currency in order to enable them to evade the Stamp duty. The present amendment for curtailing the life of a transfer therefore really amounts to its total abolition with the consequence that forward business which is so very necessary for a free and open market would be killed. My Committee would therefore submit that as suggested by the Atlay Committee the blank transfer should be abolished on reduction of Stamp Duty to a quarter per cent. which would be a sure source of revenue to Government. In 1910 the duty on transfers was raised in order partly to compensate for the loss of duty entailed by the practice of using blank transfers, Government should therefore in justice to investors reduce the duty on transfer of shares when it has undertaken a legislation to control the blank transfers.

The contemplated legislation makes no provision for the blank transfers at present in circulation My Committee suggest that a clause should be added allowing the holders of such transfers to complete, execute and lodge them within three months from the date the new Act comes into force Such a provision will not in the opion of my Committee be in contravention of Clause 3 of Section 8 of the proposed bill. Absence of such a provision on the contrary would be very inequitable to the present holders of blank transfers as their lives would be limited to one month only.

LEGISLATION WILL DEFEAT ITS END.

To sum up the whole situation my Committee beg to submit that the line of action adopted by Government is characterised by unnecessary impetuosity. This amendment should therefore be postponed to such time as would enable Government to arrive at a satisfactory solution of the question of reduction of Stamp Duty on transfer of shares. The resources of the investors admit of no further tapping the present duty on transfer of shares being already excessive, and any action on the line suggested in the bill will, in the opinion of my Committee, far from enriching the coffers of Government, impoverish them. Government should therefore desist from undertaking a piece of legislation which is sure to defeat its own ends.

My Committee now respectfully beg to draw your attention to the revised rates in Schedule I, Articles 5 (b) and 43 (b). These rates represent nearly 5 times the present duty with no maximum. My Committee cannot understand why this duty should also be five times higher than the duty levied on the forward sales in other commodities. It seems to my Committee that Government have not fully realised the consequences which the industries would suffer if "bona-fide investors are thus scared away from the Stock Exchange. In the opinion of my Committee the present duty is sufficiently high and does not admit of any increase.

Under Articles 5 (b) and 43 (b) of the Bill the business in Government Securities in Bombay will be absolutely impossible and will be drifted to Calcutta or Madras since a buyer for a lakh of Paper in Bombay will have to pay a duty of Rs. 6-4-0 whereas the same buyer will have to pay only Rs. 1-4-0 at Calcutta or Madras. This is the most glaring instance of the injustic done to Bombay by a revision of stamp duty. My Committee therefore strongly protest against any increase in stamp duty particularly on transactions relating to Government securities.

My Committee would beg to suggest that the words "for forward delivery" should be added at the end of Column 1 of Article 5 (b) and 43 (b).

CONTRARY TO PRINCIPLES OF TAXATION.

In the explanation to clause 13 of the statements Objects and Reasons it is stated that: 'Under Article 43 of Schedule 1 to the Act broker's notes are chargeable with duty; but the great bulk of what are known as "forward" contracts in the various markets is ordinarily not between broker and client but between member and member of the association. that is to say, between principal and principal. It is proposed to make these "forward" contracts or "futures" transactions liable to stamp duty". When a transaction relating to securities is executed by a broker on behalf of his constituent the broker's note is chargeable with duty under Art. 43 (b). Entries regarding this transaction are recorded in the memorandum books or account books of the broker and my Committee believe that these are not sought to be charged under clause (b) of section 3 of the Bill. It is contrary to all principles of taxation that the same transaction be charged 4 times and my Committee trust that such is not the intention of Government. This point requires to be elucidated in the explanation to Clause (b) of section 3.

My Committee beg to submit that the public had absolutely no opportunity to express their views on the Bill and would suggest that it should be circulated for public opinion. If Government find our suggestions impracticable in view of the fact that the present Stamp Act expires on the 31st March, my Committee would suggest that such of the amendments which require reconsideration may be withdrawn from the proposed Bill and public opinion thereon be invited. In any event my Committee would submit that my Association be given a chance to place before the Select Committee their difficulties and grievances.

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N. DATTA, *Manager.* Bombay Branch.

BOMBAY CITY AND SUBURBS.

—:o:—

TO-DAY'S INDIAN RADIO PROGRAMME.

—:o:—

1-15 p.m.—Indian gramophone Records.

7-0 p.m.—Miss Lakdawala's vocal music, and Bhagwat Kishore's Teshu Kota (a Japanese instrument).

PROTEST MEETING OF RAILWAY WORKERS.

—:o:—

Under the auspices of the G. I. P. Railwaymen's Union, B. B. & C. I. Railway Employees' Union and B. P. T. Railway Employees' Union, a joint meeting of all Railway workers will be held at Kamgar Maidan, Parel, to-day (Monday) at 6-30 p.m. to protest against the wholesale retrenchment on all Railways.

MADHAVBAUGH SWADESHI BAZAAR ACCOUNTS.

—:o:—

The final audited Statement of accounts of the Swadeshi Bazaar Madhav Baugh is ready now and anybody interested in it is welcome to see the same with the treasurer, Mr. Maganlal H. Ghandhi, who is sole-in-charge of all accounts.

Suburbs' Call On Mahatma.

—:o:—

(From A Correspondent.)

SANTA CRUZ, March 1.

Mahatma Gandhiji has been requested to give one day to the Suburbs when he comes to Bombay next time.

A Reception Committee, under the Chairmanship of Sjt. K. Nataranjan has been formed for the purpose.

POPPULATION OF MADARS INCREASED BY 22 P. C. IN LAST DECADE.

—:o:—

MADRAS, Mar. 1.

According to the latest census the population of Madras City has grown approximately to 647,220, showing an increase of 22 per cent. during the last decade. —A. P.

DAVAR'S COLLEGE OF COMMERCE.

—:o:—

Annual Athletic Sports.

The Annual Athletic Sports of the Davar's College of Commerce were held on Saturday the 28th February on the Oval before a fairly large gathering of spectators. The day's card provided 15 events which were keeply contested and close finishes were witnessed.

The Cambata Championship Challenge Cup went to Mr. Blaise D'Mello for the highest number of points received, while Mr. Pinto annexed the late Mr. Dinshaw D. Nasikwalla Championship Cup. Another Challenge Cup, viz., the late Mr. Dinshaw Panthakey Cup was awarded to Mr. Peacock for the Mile Race, while Sodawaterwala Challenge Cup for 100 yards was carried away by Mr. B. D'Mella. These and numerous other prizes including cups and medals were displayed on the table and they will be distributed in the College Social Gathering to be held on the 25th March 1931 in the Sir Cowasji Jehanir Hall.

The following are the 100 yards results:—

(1) Blaise D'Mello, (2) Pinto, (3) J. S. Pais. Time 10-2/3 seconds

220 Yards:—(1) Pinto, (2) Slauce D'Mello, (3) Eugambar. Tome 25 seconds.

440 yards:—(1) J. Pais, (2) Pinto, (3) B. D'Mello. Time 61-4/5 seconds.

880 yards:—(1) Mr. B. D'Mello, (2) Mr. U. B. Pinto.

1 mile:—(1) Peacock, (2) Pinto. Time 6-50 seconds.

Shot Put:—(1) P. Rameschand, (2) T. Shivram, (3) P. J. Mehta. Distance 24-9.

Long Jump:—(1) Mr. Mohanrao (14 feet-7-1/2 in.) distance. (2) Mr. P. Romeschand (14 feet-7inch) distance.

High Jump:—(1) Mohanrao, (2) Pinto 4 feet 8 in. height.

Throwing Cricket Ball:—(1) Mr. B. D'Mello (91 yards), (2) Mr. T. R. Shivram.

120 Murdles:—(1) Mohanrao. (2) D'Mello. Time 18 secs.

Relay Race:—(1) Blaire D'Mello, (2) W. Pinto, (3) J. Pais, (4) Shwffff.

2 Miles Cycle Race:—(1) Engineer, (2) Chandawarkar. Time 8-4 secs.

Sack Race:—(1) W. Pinto, (2) Khorde.

Three-legged Race:—1st pair B. D'Mello and W. Pinto.

440 yards (open for all Colleges):—(1) Panthaki, (2) Chodri.

BOMBAY BREAKS SALT LAW AGAIN.

War Council And Dictators Arrested.

DESH SEVIKAS SURROUND SEGRIS AND PROTECT THEM WITH THE HELP OF CONGRESS VOLUNTEERS

Mass breach of the salt law was carried on simultaneously at seven different places in Bombay on Sunday morning.

"WAR COUNCIL" ARRESTED.

The twenty-fourth Bombay "War Council" and several other Congress workers were put under arrest for leading demonstrations in the manufacture of contraband salt.

SERGEANTS' SUSCEPTIBILITIES.

The police lathi was not much in evidence, except that one person who shouted a national slogan in the face of a Sergeant at Chowpatty was treated to some blows. He was removed to the Congress Hospital where his injuries were attended to.

AT THE AZAD MAIDAN.

At the Azad Maidan thousands of people assembled to take part in the mass breach of the salt law. Two segris were lit on the maidan, opposite the Capitol Cinema and the other in the middle of the maidan. The "segris" were protected by cordons of Desh Sevikas and Congress volunteers. Salt water was heated in dishes and small crystals of salt obtained.

POLICE SCATTER MATERIALS.

A stong posse of lathi police watched events from the compound of the Esplanade Police Station while the process of salt manufacture was going on. They, however, emerged from their headquarters and marched into the maidan just in time to "receive" the "War Council" members. On reaching the maidan the police found the "segris" protected by a cordon of Desh Sevikas. The police entered the cordon forcibly and scattered the materials that were used for the illicit manufacture of salt.

WILSON DIRECTS OPERATIONS.

Mr. Wilson, the Police Commissioner, directed the police operations. The members of the "War Council" reached the maidan a little past 8-30 a.m. and they walked right into the arms of the police. On their arrival on the scene of salt manufacture, a police officer asked them "Who are you"? The "War Council" members replied that they were salt thieves and all the members of the "War Council" were then put under arrest. They were:—

Mr. P. Rangaswamy, Bar.-at-Law, President,

Mrs. Indirabai Kolhatkar, Vice-President,

Mr. Madhav V. Dhumatkar, Secretary.

Miss Piroz Wadke, Jt. Secretary, and,

Mr. Fulchand Gulabchand, Editor of the "Congress Bulletin".

"A" WARD DICTATOR ARRESTED.

The Police also arrested Mr. K. Damodardas, the Dictator of the "A" Ward Congress Committee and another Congress volunteer who were preparing contraband salt in another portion of the maidan.

The arrested persons were marched off to the Esplanade Police lock-up. It is understood that they will be placed before Mr. D. N. D. Khandalawalla, Presidency Magistrate, Third Court, on Monday charged with being members of an unlawful assembly and assisting and managing its operations under Section 17 Clause (1) and 2 of the Criminal Law Amendment Act.

RATANBEN MEHTA TAKEN AWAY.

Ms. Ratanben Mehta, the Dictator of the "D" Ward Congress Committee who led the demonstrations at Chowpatty was arrested by the police, along with the two Secretaries of the Ward. The procedure followed here was the same. Some Congress volunteers fetched sea water which was heated on a "segri". The police arrived and arrested the leaders.

When the leaders were being taken away some persons followed the police party shouting at the top of their voices national slogans which provoked a Sergeant to turn round and chase the crowd away. One person who received blows was treated in the Congress Hospital and discharged.

MORE ARRESTS ON CHOWPATTY.

At Chawpatty the Police arrested besides Mrs. Ratanben Mehta the dictator, Mr. Palekar an ex-Secretary of the "War Council" and Mr. Vaingankar, Secretary of the "D" Ward Congress Committee. It is understood that they will be placed before Mr. Indravadan Mehta, Presidency Magistrate at the Girgaum Police Court, on Monday.

AT MANDVI ALSO.

The Salt law was also violated at Mandvi and Tamba-Kanta (Pydhonie). The public took part in the demonstrations. Contraband salt was manufactured.

At the conclusion of the demonstrations the Pydhonie Police under Inspector Raje and Vanjara arrested Mr. Dharsi Jetha "Dictator" of Mandvi Ward. At Tamba-Kanta also the "Dictator" of the Bhuleshwar Ward was arrested.

SALT LAW VIOLATED AT DADAR.

—:o:—

12 Persons Arrested Including "Dictator".

With a view to break the Salt Law, Congress volunteers of Dadar started from the Tilak Maidan at 7-30 a.m. including a number of ladies in a procession towards the sea-shore to fetch seawater.

Mr. D. J. Nadakarni, the "Dictator" of the "G" Ward Congress Committee, headed the procession. The procession marched through Lady Jamshetji Road, Pt. Church Road, etc., and reached the seashore at 8 a.m.

On the sea-shore Mr. Nadakarni, took water in his earthen-pot first and then ordered others to do likewise. The "G" Ward Congress volunteers and the public followed the example and came to Tilak Maidan again.

At Tilak Maidan, the volunteers made a cordon round the "Dictator" and others, including four ladies, who were helping him to prepare the salt.

A police party headed by Inspector Karnik came on the spot and ordered the police to make a cordon round the "Dictator" in order to arrest them. The officer separated the four ladies: (Misses Kumudini Pradhan, Lila Pradhan, Manjula Dighe and Nalini Thakore) out of the police cordon and the rest were arrested.

The names of the arrested persons are: Messrs. D. J. Nadakarni, "Dictator" of the "G" Ward Congress Committee; Balashaib Y. G. Patil; Naik N. W. Parab Raghunath; V. K. Pagdharkar and seven other Congress volunteers. They were removed to the Mahim Police lock-up.

ARRESTS AND ASSAULTS IN FORT;

—:o:—

On Sunday a Parsi Customer of Messrs. D. H. Kazi and Co. having found it impossible to evade the vigilance of the picketers with a few yards of foreign cloth that he purchased from the shop applied to Esplanade Police Station for help. Immediately three constables headed by an officer appeared on the spot and put under arrest Sjts. K. Narayana Rao and Subramania Acharia who were picketing the shop from morning.

At 6-30 p.m. on Sunday while picketing liquor shop on Frere Road Sjt. Sirju Kamappa an "A" Ward volunteer was severely thrashed and abused by a European who happened to pass through that road in a car. There was apparently no raw or commotion in front of the shop.

ARRESTS MADE IN F WARD.

—:o:—

According to plan arranged by Bombay Provincial Congress Committee to manufacture salt in every ward the "F" Ward Dictator had made preparations to launch Satyagraha at Lalbaug Maidan at about 8-30 a.m. in the morning on Sunday. While he was manufacturing salt he was under arrest along with the flag-bearer volunteer Dhansukh Shiwprasad.

—:o:—

KHADI CART PROCESSION

—:o:—

Desha Sevika Sangha has arranged a procession from Kamagar Maidan to Lalbaug Maidan in the morning, selling khadi throughout locality. After it had reached its destination at Lalbaugh Maidan a meeting was held under the presidentship of Mrs. Kshamabai Rao. The speakers were Dr. Kothare, Sjt. Khanti and Mrs. Shantabai Winchurkar.

WORLI PICKETERS ASSAULTED.

—:o:—

On Friday the picketing of liquor shops at Dadar was very vigorous. Four excited drunkards at Worli Koliwada assaulted one Congress volunteer very badly and he became unconscious. He was removed to the Congress Hospital.

Mr. Dhunjishah Daruwalla one of the most competent line-operators in Bombay and a member of the "Bombay Chronicle" Composing staff, who died of heart failure a few days ago.

SENSATION IN MANDVI.

—:o:—

Residents Get Excited At Behaviour Of Shop-Keeper.

SEQUEL TO ASSAULT OF PICKETER.

—:o:—

A mild sensation was created in Mandvi on Sunday in the forencon when a Hindu dealer in foreign cloth, who has his shop in the Memon Mohalla, was assaulted by some people. It is alleged that the merchant had earned a very bad name for himself as one who used to abuse the picketers and harass them in other ways. It appears that the resentment felt by some people on his behaviour led to the assault.

On Sunday, when the merchant had left his shop and was going to have his mid-day meals in the Kankeshwari Lodge, a number of persons pounced upon him and belaboured him severely. Fortunately other people intervened and the merchant was rescued.

On receiving the information Sjts. Shoorji Vallabhdas and Kanji Master went on the spot and pacified the residents of the locality who were angry with the merchant for his alleged harrassment of peaceful picketers. It is understood that the merchant publicly expressed regret for his behaviour in the past and gave an assurance that in future he would behave politely with the volunteers.

—:o:—

SECOND "A" WARD DICTATOR ARRESTED

—:o:—

Two More Parsi Congress Marched To Lock-up.

—:o:—

At about 10 p.m. on Sunday the second Dictator of A Ward Congress Committee, Mr. Madhavdas Goculdas Desai was arrested with Mr. Dinshaw F. Mawjee and another Parsi gentleman at the meeting of "A" Ward voters near Bazaargate Clock Tower.

IS THIS HIS JOB?

—:o:—

To The Editor of "The Chronicle"

Sir,—At about 6-15 this evening we were passing by the fountain opposite the Fort Market where we saw a crowd near a liquor shop. Approaching the place we discovered that two volunteers were being assaulted by some drunkards. Dr. Nunan who happened to be passing got out of his car, went up to the volunteers and began to neck them out, asking them what business they had to be there. The latter replied that they were peacefully picketing and doing their duty. Dr. Nunan clutched them by the throat again and again and was trying to drive them out. As the volunteers stood their ground, he gave up the attempt and drove away. May we know what business Dr. Nunan has to interfere? Does the law entitle him, as police Surgeon, to take up Police work?—Yours, etc.,

ESSOOFAILY ABDULCADER, GHADIALLY,
3, Abdul Rehman Street.
ABDOOLKADAR HASANALLY,
136, Abdul Rehman Street.
Sunday March 1.

—:o:—

Sardar's Daughter On Mahatma's Programme.

—:o:—

(From A Correspondent.)

SANTACRUZ, March 1.

Kumari Maniben Patel, daughter of Sirdar Vallabhbhai Patel addressed a public meeting of ladies at Santa Cruz on Friday.

Kumari Maniben, exhorted the audience to boycott foreign cloth and to make their live simple. All Indians she said should shed all fears of going to jails and work out the programme of work put before them by Mahatma Gandhi.

CIVIC ADDRESS TO LORD IRWIN.

—:o:—

Question Not To Come Up For Discussion In Corporation To-Day.

—:o:—

It is reliably understood that the question of presenting a civic address to the retiring Viceroy, Lord Irwin, by the Bombay Municipality, which was not taken up for discussion to-day (Monday). The Corporation will first take up the March Agenda and the question of presenting addresse to the retiring and incoming Viceroys will be dismissed at some other sitting of the Corporation.

To-Day's Maidan Meeting

SAVE BHAGATSINGH AND COMRADES FROM GALLOWS.

A meeting will be held at the Azad Maidan to-day (Monday) at 6 p.m. under the auspices of the Ramgharia Shromani Akali Dal to protest against the execution of Messrs. Bhagat Singh, Rajguru and Sukhdev.

DR. JIVRAJ MEHTA.

—:o:—

President-Elect Of All-India Medical Conference.

Dr. Jivraj Mehta has been elected President of the next annual Session of the All-India Medical Conference to be held in Poona during the last week of April.

Prof. K. G. Rao of the National Physical Culture Institute, who along with his pupils is giving an exhibition of physical feats tonight in Bhangwadi Theatre, Kalbadevi, Bombay.

THE PROBLEM OF INDIAN FEDERATION.

—:o:—

(Continued from page 6.)

tions to the Provinces and States. But once this is assumed, one is, like the Simon Commission, involved in a hopeless dilemma, and all attempts to set up a Federation are rendered impossible except on conditions which themselves are impossible to fulfil. Even Bismarck would not have been able to solve the problem of German Federation if he had invited the German States to federate on equal terms not with Prussia but with the Provinces of Prussia. If such a Federation is to be practicable, either the semi-sovereign Indian States should be depressed to the level of the British Provinces, or the British Provinces, by a process of uncalled-for devolution, elevated to the status of semi-sovereign States. The Provinces have nothing to surrender to a common centre, "not the authority over matters of common concern," referred to in the first passage quoted above, since they have no control over any of the usual federal subjects; it is therefore difficult to understand the Commission's objection based on the comparison of the sacrifice of the States with the "surrender" of the Provinces.

CENTRAL GOVERNMENT TO SURRENDER POWER.

If there is to be a Federation at all, it is not the Provinces which have to "surrender" anything, it is the Government of British India which has to surrender something. Under the Simon Commission's conceptoin of a Federation, either the States will not part with the semi-sovereign status or British India will refuse to sacrifice its organic, economic, social and political unity, which is always claimed to be the greatest achievement of the British rule in India. No modern political unit ever sacrifices unity once it has achieved it; on the contrary, it strengthens it. All Federations and Unions, like the British Empire and the League of Nations, get stronger, and all attempts to partition Prussia after 1918 proved unavailing. On the contrary, Waldeck has recently joined it. It may then be taken for granted that attempts to partition British India, with a view to add one more principle of division to those already existing, based on political status, caste, religion and economic interest, will be as firmly resisted as the partition of Bengal. Whichever party opposes the proposals for an Indian Federation will be indefinitely shelved. The Simon conception is so palpably unsound that one begins to doubt whether it was seriously meant. All the difficulties arising from it disappear if the Federal tie is established between British India as a unit and the Indian States. The nature and the degree of the control of the Governor-General or the Viceroy over the British Provinces and the States need not be sacrificed on the altar of a Federal ideal, nor need it be made uniform, though both British India and the States naturally expect that the extensive power of the Viceroy over them would be limited by law and convention, once autonomy is conceded to the Provinces, and the States enter into a Federal relation. In fact, under our Scheme of Federation with British India as a unit, this problem does not exist and therefore need not detain us any longer.

(To Be Continued.)

C. P. GOVERNMENT CENSURED

—:o:—

Excise Policy Condemned

NAGPUR, Feb. 28.

At to-day's meeting of the C. P. Legislative Council, the Governments excise policy was severely criticised and the Minister in charge was urged to declare Government's future policy and chalk out a programme to lead to total prohibition. The Hon. Mr. Jaiswal said that total prohibition was, of course, the ultimate goal, but he was not in a position to bind down Government for chalking out a programme of total prohibition. Mr. Gokalchand Singari's token cut was afterwards carried by 38 votes to 15.—A. P.

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AGUERINE

ALL FEVERS FOR

THE BOMBAY CHRONICLE

MONDAY, MARCH 2, 1931.

THE BUDGET.

—:o:—

The third budget introduced by Sir George Schuster in the Assembly on Saturday provides one more proof — if a proof were needed — that India can never agree to the financial, as well as other, safeguards to the Round Table Conference scheme of so-called constitutional reforms inasmuch as these safeguards will perpetuate the disastrous management and manipulation of her resources on lines followed by the predecessors of the present Finance Member as well as himself. India wants, and is determined, to be mistress in her own house for many well-known reasons not the least of which is that she may thereby be able to reduce taxation and thus give much-needed relief to the over-burdened tax-payer and also, by drastic retrenchment in unproductive expenditure, to finance those nation-building schemes which are now being woefully starved. Judged by this crucial test the budget introduced by Sir George Schuster can only be regarded as one of the greatest acts of disservice that even Lord Irwin's reactionary Government have perpetrated. "Speaking for himself", Sir George Schuster says, "my main preoccupation is to run the business well while I am responsible for it, and to hand it over in sound condition with no hidden weaknesses and with credit unimpaired. But that is merely the negative or defensive side of policy. The active and constructive side—the preparation for future development—must also be considered." The Finance Member spoke evidently with his tongue in his cheek. For, let alone any hope of "future development," his proposals carry with them the assurance that India's "business" is being run in a most inefficient and criminally extravagant manner. These proposals violate not merely all principles of sound business, but even moral considerations which every trustee must scrupulously respect. The poverty of her people is the outstanding fact about India. So also is the iniquitous burden of the present level of taxation and the disproportionately heavy expenditure on the Army and General Administration. No budget, therefore, can be considered to be satisfactory which is not framed on a due consideration of these dominating factors in the financial situation. Sir George Schuster's Budget is based on a callous disregard of these factors. This will be evident from the simple fact that, faced with a deficit of 17.24 crores in the next year, the only reductions in the Military and Civil Expenditure that he contemplates are the paltry sums of Rs. 175 lakhs and 97 lakhs respectively!

The deficit he expects is bound to be larger than estimated by him. For his estimates of revenue even on the existing basis of taxation are too sanguine. There is no reason to hope that conditions will improve in the coming year. On the contrary, there is every reason to fear that they will be progressively worse. In these circumstances, there can be no improvement either in Customs or in Income Tax. Besides, if, as the Finance Member himself reckons, "as regards prices and the general volume of commercial activity throughout the world, recovery will be slow," he is not justified in his sanguine estimates of revenue yield. Nor can he ignore the fact that the additional burdens which he now proposes to pile on the shoulders of the tax-payer will have the tendency to retard trade and commercial activity and so affect revenue from these sources even to a greater extent than he has allowed for. But the true cause of the deficit is neither world depression nor any others which the Fiance Member emphasised but the one which he has virtually disregarded and this disregard constitutes the main indictment against him and his management of India's finances. That cause is the unwarranted and crushing expenditure on the Army and the excessive amount spent on General Administration, particularly the high level of salaries in the Uppet Grade of the Services. While everywhere in the world endeavours are being made to reduce armaments, the Finance Member of India insults Indian intelligence by a mockery of retrenchment to the extent of Rs. 175 lakhs in the total expenditure of Rs. 55 crores on the Army. In fact, his proposals of retrenchment, both in the Military and Civil Expenditure are an eye-wash. For the Military Expenditure is spread over a greater period in such a way that the total burden remains unaffected, while the root methods of effecting such retrenchment such as, for instance, reducing the number of British troops and the Capitation Charges and accelerating the pace of Indianisation are not even considered. The promise of a committee of the Legislature to explore avenues of retrenchment in Civil Expenditure, coupled as it is with the Finance Member's amazing justification of the high level of salaries, particularly of the so-called Security Services, is no less an eye-wash, specially, when we have regard to the present composition of the Assembly, the majority of whom will neither understand nor dare to suggest radical cures for the present evils. Sir George Schuster's gratuitous sermon on contractual obligations and on the need to maintain or rather, according to him, the impossibility of cutting down the existing scale of salaries is a sinister portent of the determination of the bureaucracy to resist all attempts of the representatives of the people to adjust salaries of public servants to the financial capacity of the country and the true service they render to it. The actual proportion of retrenchment proposed to meet the present difficulties, added to the alacrity with which fresh burdens are imposed on the people are indicative of the real outlook of those who wield power to-day. If they run India's "business" on genuinely sound lines, there is nothing to prevent the entire deficit of fourteen crores and a half being met by a reduction in Military and Civil Expenditure—by, that is, reducing the number of posts, reconsidering the conditions of employment and securing a fair value for money paid from public servants. But where there is no will there's no way.

So far as taxation proposals are concerned, therefore, the Legislature, if it has any respect for public opinion or any regard for the country's interest, must uncompromisingly oppose them with the single exception, of course, of the increased duty on imports of piecegoods. So far as Income Tax and Super Tax are concerned, there is no provision made for applying the changes to all kinds of sterling incomes derived from India, under Indian sterling loans held by non-Indians, or sterling salaries, pensions and other payments made by the Government of India. The change proposed will only affect the Indian investor in sterling securities, who now escapes the Indian income taxes, but not the non-Indian investor, living outside India, and investing in Indian sterling securities. That is the largest single means of making up the most considerable portion of the deficit anticipated—and it is left untried. Again, in respects of Customs duties, productive and protective principles seem to have been confused. Taxation according to ability is not quite adhered to, as is evidenced by the lower increase on wines as compared to beer. Again, why are motor-cars excepted? These constitute a class of luxury goods, which had in recent budgets obtained relief from taxation, and which may, therefore, well be expected now to contribute a part of the deficit. The fifty per cent. increase in silver duty will further depreciate the price of silver in the world markets, and so affect adversely the real wealth of the people in India held in silver. The realisation of the silver stocks both by Government and by people is rendered more than ever a more difficult and losing concern. The entire currency policy and the paragraphs in the Budget Speech containing an apologia for it are self-condemnatory. The issue is not,—as the Finance Member puts it,—as between one ratio and another, but as between an honest automatic currency and a managed currency needing constant manipulation if it is to be maintained at all. We may agree that a 16d. ratio might have needed some manipulation, even as an 18d. ratio needs; but that is no answer to those who demand a clear Gold Standard and Gold Currency in India. Hence all the horrors conjured up by the Finance Member, as arising out of a meddling with the currency system, have no being at all. Even a return to the single silver standard, unconnected with gold, as before 1893, would be preferable and economically more beneficial to the country than this miserable makeshift. Contraction and all the sequlae of the governing principle of the currency regulation to-day are as inevitable as they are injurious, so long as that principle is retained.

The Ways and Means Budget provides for borrowing which will largely undo the little retrenchment made, thanks to additional interest charges. Why cannot the Government call an 'absolute' halt to capital outlay? Their estimate of the withdrawals from the Post Office Savings Banks and from the Post Office Cash Certificates are also likely to be substantially exceeded, if the present situation continues or worsens. The outstandings of the Treasury Bills in the hands of the public will also increase, and so levy a 'secret,' unseen burden because the discount is paid off at the start. That alone is enough to condemn this form of finding Ways and Means, quite apart from the danger to the public credit arising from a large amount of unfunded debt. It is a hand-to-mouth policy of which no Government ought to be proud. The entire programme is condemnable. To sum up, the Budget is founded on misconceived theories of public financing. Facilitation of federal financing.—if they genuinely mean the Federation to come into being,—is not in the least attended to; the distribution of tax-burdens on the principle of ability to bear the burden is not provided; retrenchment is not started at the root, which makes government more expensive than the governed can afford, or more than the benefits of such government,—or the value received,—can justify; the currency policy, which is the acid test, the standard of measurement, is utterly mistaken and ruinous, involving necessarily and progressively, more ruinous measures to keep it in being and, finally, the Ways and Means programme is also, besides being extravagant, uneconomical and inadvisable under present conditions.

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PREMIUM ON SLUMDOM

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One of the most satisfactory features of the development of Bombay in recent times is the migration of population to the Suburbs in Salsette and in the Thana District, and the consequent relief of overcrowding in the city proper. In the move towards life amidst better surroundings, almost all communities and sections of the population have participated, though the middle classes have naturally been able to remove themselves from the city more easily than workers in factories. To this interesting change in the social life of the City, Government have, in recent years, contributed very little except perhaps in the model suburb of Khar, all their energies and their resources being concentrated on the mad venture of the Back Bay Reclamation. Similarly the two Railway systems serving the City, have taken hardly any active steps to foster suburban development, and they have fallen in line with the migrating tendency of the population rather than conscientiously directing or guiding it, much less promoting it by special facilities and concessions. During and after the War, they vigorously curtailed their services in spite of the growing demands of the traffic and some ten years ago, they helped themselves to a large unearned increment by raising the season - ticket fares for passengers in the Suburbs. If they have quadrupled the lines that was done because it was impossible for them to cope with the growing traffic through a double track. So also it has yet to be proved to the average suburban resident that electrification was resorted to, to meet his convenience. Only the other day we had a grouse from suburban residents complaining of the train service for passengers beyond Borivli and overcrowding in third class compartments is still not uncommon. The system of railway administration that permits of electrification for through traffic for so large a distance as between Bombay and Poona, a luxury rare even in the richest countries of the world, could not have decided upon electrification for the suburban service, merely for the comfort and convenience of the passengers. How blind a Railway Administration is to the real requirements of the average passenger is indicated by the most reprehensible manner in which the misery of the third class passenger's lot has been added to by the new arrangements at the Bombay Central Station.

To-day unemployment is rife in Bombay and the city is in the throes of an unprecedented trade depression. And it is this very moment that the Railway Administrations choose for extracting more money out of the dwellers in the Suburbs to meet the losses they have incurred on their extravagant ventures like the Bombay Central Station or the Power House at Kalyan. The people have moved out to the Suburbs and having tasted the joys of life out of slumdom, the railways, secure in the assurance that they would not go back to the slums, decide, with the consent of Government, to squeeze more money out of all classes of Suburban passengers. One does not know whether these proposals of increases in the Suburban railway fares were placed before the Railway Advisory Committees before being finally adopted. If they were not, members of the Advisory Committees would do well to refuse to associate themselves with bodies which are consulted only when it suits the Railway Administrations. Though Suburban railway passengers, as a class, are a meek and non-vocal body of individuals, it should not be difficult to organise forces and to bring the pressure of public opinion to bear on the Railway Administrations responsible for the traffic needs of the city and its environs. In fixing the rates of increases, the Railways have selected the larger distance traffic for heavier enhancement than the traffic over shorter distances, and this notwithstanding the fact that the long distance passenger on the B. B. & C. I. Railway staying in Bhayandar, Bassein or Virar, has been provided with scarcely any additional facilities for travelling. That action has been taken presumably because for short distance traffic the Railways have to withstand the competition of cheap motor services; passengers for larger distances are not so fortunate as motor services cannot compete effectively and hence, the Railways can tax them highly with impunity. If this encroachment on their slender purses materializes in spite of organised public protests, suburban passengers can counter it by patronizing cheap motor bus services wherever practicable and by travelling by lower classes so as to reduce the expected income to the Railways from the enhancement of the fares. Only in some such organised manner, can the long-suffering travelling public in India make its influence felt on the irresponsible Railway bureaucracy of the country.

THE PROBLEM OF INDIAN FEDERATION.

COMPLEXITIES OF THE PROCESS

(BY PROF. H. R. BHATHEJA).

II.*

Presuming that the entire people of India will be represented in the Lower Federal House, the Upper House will be an organ of Federal representation of the Governments of British India and the States, not on a basis of equality, which is impossible, but on a basis of political importance with a weightage in favour of smaller States so as to make some slight approach towards equality. British India might suitably have 1/3 of the entire votes, with a right of vote over some special subjects. The 40 Treaty Salute States should have at least one vote, while the Non-Treaty Salute States may be represented by rotation, so that each State gets a seat once in every four years, while the rest may be represented by election, as they are at present in the Chamber of Princes, by 12 members of their own order. The difficulty of heterogeneity of the associating units may thus be solved, as it was solved about 60 years ago in Germany and is being solved to-day in the League of Nations. Striking as are the inequalities amongst the federating units in India, they are not more serious than those which existed in Germany and which exist in the modern world federation.

COMPARISON WITH GERMANY

Prussia was and is, much larger than all the other German States put together. Conditions for a Federation in India are much more favourable than in old Germany, as none of the Federating States is an independent Sovereign State, and with the exception of the Nizam every one of them has lost control over what are strictly federal subjects. Given goodwill and a lively appreciation of the advantages of co-operation, the question of inequality can be solved. Indeed the Simon Commission does not think this to be a serious difficulty, as it itself suggests a working solution. Nor is it impressed by the difficulty or the variety of constitutional structure of the component elements. For it says: "We think that the difficulty of reaching a Federal union between units with varying methods of internal Government are sometimes overstated. Variety in this respect is not an insuperable obstacle." Mr. Ramsay MacDonald in his book on the Government of India written 13 years ago expresses much the same views.

CENTRAL CONTROL

The next serious difficulty mentioned by the Simon Commission as arising from the difference in nature and degree of the Central control exercised by the Viceroy or the Governor-General over the States and Provinces is described in the following passages: "We have then to conceive of some sort of federal union between—(1) non-British States possessed of the internal sovereignty we have described, and, generally speaking, completely independent of one another, and (2) British areas which derive their measure of autonomy from a common centre and already form part of a single political system. It is obviously much more difficult for units of the first-class to surrender, to a common centre, authority over matters of common concern than for units 'of the second class to do so'." Then, again, "the range of matters subject to control from a common centre will need much consideration. Whereas in British India there is a long tradition of an overriding Central Authority with wide powers over a Provincial Government, not limited to the prevention of misrule and extending to many matters which effect the particular Government alone, it would be natural, under a Federal Constitution, to delimit strictly the scope of central control."

"The residue of the legislative power outside the specified list would lie with the States and the Provinces, and this would involve a strict distribution of legislative power, such as does not exist in British India to-day."

"Again, as Provinces approach nearer to autonomy, the question of providing for effective intervention from the centre in case of breakdown assumes great importance, but, while such arrangements might form part of the written Constitution of British India, the duty of the Paramount Power in extreme cases to intervene in relation to an Indian State is derived from a different source and carried out in a different way."

HOPELESS DILEMMA

All these passages assume that the federal tie cannot be created between British India as a whole and the States, and that there will be and should be no change either in the structure of the Central Government or its rela-

(Continued on page 5.)

* The 1st article appeared on February 21.

THOSE 'BASER PASSIONS'!

TWO PHILOSOPHIES AND A MORAL.

(BY C. J.)

Come, my songs, let us express
our baser passions.
Let us express our envy for the
man with a steady job and
no worry about his future.

The baser passions of Mr. Ezra Pound's songs seem to be unabashedly *petit bourgeois* and as the poetic paterfamilias reproves his brood:—

You are very idle, my songs;
I fear you'll come to a bad end.
You stand about the streets.
You loiter at the corners and
bus-stops.
You do next to nothing at all.
You do not even express our
inner nobilities;
You will come to a very bad
end.

protesting, after pampering the youngest of the lot,

Lest they say we are lacking in
taste
Or that there is no caste in the
family

they are calculated to stir the imagination of men like Mr. J. H. Thomas.

BRITISH APOSTLE SPEAKS.

The baser passions, however, are no baser than some of the social virtues that the ethical and religious zeal of our—and Mr. J. H. Thomas'—industrial civilization imposes: they are, indeed, the foundation on which is reared up the whole, heavy structure of our competitive, capitalist society. 'The envy for the man with a steady job and no worry about his future' then becomes a highly cultivable virtue which is supposed to possess the magic quality of solving some of Mr. Thomas' 'problems' for him: it is the one incentive to work the lack of which is daily deplored by the Press and public-men in Great Britain in their attacks on the Labour Exchange and other equally revolutionary schemes of the Labour Government. Even as solemn and self-possessed a *padre*-journalist as the Dean of St. Paul's found occasion recently in delivering his magazine article sermon, to have a fling at the honest Jimmy Thomas' department:

> ..... The pernicious system of the dole, introduced after the war to stave off revolution, is sapping the independence of our workers, and making what may be called the *rentier* habit of mind universal. Offer to an unemployed man an easy job, such as sweeping a lawn, at thirty-two shillings a week, and he will probably answer: 'What? Me work for six shillings a week? I have a right to twenty-six for doing nothing!"

Although birth-control on the far horizon of futurity cheers up the drooping spirits of the reverend Dean, he feels naturally gloomy at this state of affairs.

UNITY IN DIVERSITY.

The Trade-Unionists will, no doubt, take strong exception to the Dean's cheap jeering on the score of the wage standard sanctity, whether British Trade Unionism is regarded as a *gymnastique revolutionaire* or a narrower but characteristically British Philosophy of Bread. But even they must support the British ecclesiast's resentment against the *rentier* habit for there is only the class-barrier that separates them from the followers of the Dean's highly righteous philosophy. "We do support the Dean's condemnation of the parasitism of the would be lawn-sweeper although, of course, he could not very well understand his fellow-workers. But what about the owner of the lawn who, for aught we know, may be a greater parasite living on an unearned income? These parasites have no right to complain of death-duties and increased taxation", they would argue, adding with an ironic grin, "and that is socialism in MacDonald's time, too, which those anaemic Fabians hailed so enthusiastically in the early 'nineties." The 'baser passions' of Mr. Pound's songs may well inspire members of Parliament and legislators!

NOTES OF THE DAY.

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The Tories And India.

It is clear from the British papers to hand by the last mail that the Conservative Party is not a little exercised over the Indian question and that so far as this question is concerned there is, after all, little to choose between the Baldwin group and the Churchill group in the Party. It is noteworthy that, according to an authorised statement issued at the close of a Party meeting on India, "Mr. Baldwin expressed his entire agreement with the attitude taken up by the Conservative delegates to the Round Table Conference." That attitude was generally hostile but in its expression was deliberately vague. The report in question, therefore, naturally states: "The form and structure of an All-India Federation would have to be decided by the Government of the day in the light of the situation which would arise when the picture was complete. Until then it was impossible either to give or refuse assent to propositions which had not yet been fully formulated." If the Party, as a whole, is not expressly hostile, it is only because it knows full well that ere long it will have to surrender much.

High-handed.

The Bombay Government have flouted public opinion and constitutional propriety by suspending the Surat Municipality for one year. Their excuse for such high-handedness is that the members did no business since September last and themselves asked Government to intervene by dissolving the Municipality. Everybody knows that for the stalemate in the Municipality the President was responsible as he did not resign in spite of a vote of censure passed against him by the general body. Though there was not a big enough majority against him to compel him to resign, it was clear that he had forfeited the confidence of the general body. In the circumstances it was Government's duty either to persuade the President to resign or to appeal from the general body to the electorate. By their present conduct Government have penalised the electorate instead of giving it a chance to declare its opinion on a constitutional issue created by the President's refusal to resign.

Ahmedabad Workmen's Demands.

The joint representative Board of the Ahmedabad Textile Labour Association may be congratulated on the programme of reforms which it has set before itself to be carried out during the year. One of the principal reforms is an appreciable reduction in the hours of work. While cooler Western countries prescribe 8 hours as the maximum, the case for a reduction of the present ten hours of work in a hot country like India is unanswerable from any point of view. In the present and the almost certain future position of the textile industry millowners should undoubtedly be in a position to give better wages or demand fewer hours of work. The latter reform is more urgent and more conducive to the worker's health and welfare. We hope that the Ahmedabad workmen will soon succeed in their attempts at reform and thus set an example to their comrades all over the country.

A Swadeshi Directory.

The Bombay Swadeshi League (Blavatsky Lodge, Bombay 4), has done one more service to the cause of Swadeshi by publishing a fairly full and comprehensive Swadeshi Directory under the title, "Classified List of Manufacturers of Swadeshi goods and their agents and dealers." It is a book of 124 pages containing over 2,000 references to manufactures or dealers but is priced low at four annas for the sake of Swadeshi propaganda. For the purpose of the Directory the term "Swadeshi goods" is understood to mean "goods which are manufactured in India from Indian raw or basic material and with direction, management, labour and capital which are predominantly Indian, provided that where Indian raw or basic material is not available it shall be permissible to use foreign raw or basic material." From the replies to the elaborate questionnaire on which the Directory is principally based and from the various resources at the disposal of the League it may well be presumed that the League can vouch for the genuine Swadeshi character of the goods mentioned in the Directory in the strict sense in which it has understood the term. The book fills a want keenly felt alike by buyers and dealers. For, intensive as the Swadeshi movement has been, the country has not yet derived its fullest benefit as, among other reasons, many genuine Swadeshi goods have not received the wide publicity they deserve. Even the book under review is far from being exhaustive. We hope that the League will soon be able to bring out a fuller second edition of the book.

India To Bear Additional Taxation.

BANKRUPT BUDGET DISCLOSURES.

DEFICIT OF 14.51 CRORES TO BE MET BY MORE TAXES.

(Continued from page 1.)

hands because we felt that experience proved that all such attempts made in other countries to interfere with normal economic forces had ended disastrously. But it might have had an added evil effect in the case of Indian cotton, because if special efforts had succeeded temporarily in putting Indian cotton up to an artificially high level, they would just have defeated that tendency—so favourable, in the long run, to India—of which I have been speaking, and checked the establishment of a permanent new market for Indian cotton.

REVISED ESTIMATES FOR 1930-31

The main items of deterioration as compared with the budget may now briefly be summarised as follows:

	Lakhs.
Important revenue heads, viz. Customs, Taxes on Income, Salt and Opium (net)	12,10
Posts and Telegraphs (including the Indo-European Telegraph Department)	89
Finance headings, viz. Debt, Services, Currency and Mint.	1,38
Other heads	5
Total	14.42

As the final budget estimates showed a surplus of 86 lakhs, the revised estimates work up to a deficite of 13.56 crores.

PROSPECTS FOR THE YEAR 1931-32.

I calculate that we must face a fall in tax revenue, as compared with the current budget estimates, of no less than 13.16 crores.

For Customs I estimate total receipts of 46.64 crores, which is 3 crores worse than the budget estimates for the current year, but 1½ crores better than what we now expected to realise this year.

For Taxes on Income I estimate receipts of 13.50 crores which is 4½ crores worse than the current budget and 2.30 crores worse than what we expect to realise this year.

These two heads alone account for a deterioration of 12½ crores. Apart from this, there will be the normal drop in optum revenue, due to our policy of reducing exports, and other minor deteriorations which make up the figure of 13.16 crores which I have given as total loss on tax revenue as compared with the current budget estimates.

COMMERCIAL UNDERTAKINGS.

As regards Posts and Telegraphs, business is badly affected by the current depression, and we must face a net deficit of 1.41 crores in the Indian Posts and Telegraphs Department, or, adding capital expenditure charged to revenue, of 1.52 crores. The budget estimate for the current year was bad enough, but the revised estimate under the head as a whole is 80 lahks worse than that. The actual Railway contribution is estimated at 5.36 crores instead of 5.74 crores in the current budget, so that here we have a deterioration of 38 lakhs.

Taking these figures together with those for Posts and Telegraphs, the total deterioration on our main commercial undertakings is 1,18 lakhs.

FINANCE.

Next we must consider the general Finance headings. Interest receipts, Currency and Mint receipts. Interest on Debt and the Reduction and Avoidance of Debt provision. It is right, for a proper understanding of the position, that these should be considered together.

To sum up—the total deterioration under the Finance headings is 3.76 lakhs, of which 2.81 represents the diminution of profits from currency, mainly due to the decreased volume of currency in circulation, and 95 increased net charges for debt, of which no less than 78 is due to the automatic increase in the Reduction and Avoidance of Debt provision.

DEFICIT OF 17.24 CRORES.

We can now survey the whole of the picture of which I have thus presented. z the main features. Comparing the forecast for next year with the current budget, we lose—

13.16 crores in Tax revenue,

1.18 crores on Commercial Departments, and we are worse off by

3.76 crores on general Finance headings. This means a total deterioration of 18.10 crores as compared with the budget estimates for the current year. As those estimates provided for a surplus of 86 lakhs, the net deficit, on the basis of the current year's figures for all the other item, would be 17.24 crores. This is the gap which we have to fill either by cutting down expenditure or finding new sources of revenue. To this task I must now turn.

MILITARY EXPENDITURE.

I propose to deal first with military expenditure—and here I am glad to say that we can put forward a substantial reduction of no less than 1,70 lakhs, bringing the figure (exclusive of the Territorial Force grant) to 52-1|2 crores. I do not think I need repeat the detailed explanations of the arrangement affecting the Army budget which I gave in my budget speeches of the last two years. But I must explain how it is possible to make this cut. The original plan was based on a stabilised budget of 55 crores for four years from 1928 to 1932 and this was the figure included for 1928-29 and 1929-30. In my last budget speech I explained that we had arranged to lengthen the period by one year and reduce the average amount for the remaining period of 54.20 crores. We propose to repeat the same process this year, thus spreading the re-equipment programme over one additional year, so that instead of allowing for a budget stabilised at 51.20 crores for the next two years with a reduced figure thereafter, we shall have a basic figure of 53.63 crores for three years. On top of this, by taking advantage of reduced costs of various articles and savings effected by the military authorities by their economy campaign, and also by postponing part of the ordinary military engineering services, further cuts of no less than 1,13 lakhs have been made. I wish, however, to make it clear that the possibility of this economy depends partly on special savings and partly on the continuance of low prices for grain and other stores, so that it may not be possible to repeat it. This is an exceptional cut made in exceptional circumstances to meet the present emergency, and it means a retardation in the programme of re-equipment which the military authorities could not, acting purely on military considerations, have recommended. But they have proposed this special cut in order to help out the general situation, and I wish to take this occasion to express my appreciation of the way in which they have helped to reduce expenditure this year.

A further small saving has been provided for in the Territorial Force grant, bringing the total military saving to 1.75 lakhs.

CIVIL EXPENDITURE.

This heading raises the whole question of retrenchment on which Honourable Members are doubtless expecting me to say a good deal to-day. I shall not shirk the task.

There are two questions before us: "What cuts can we make in next year's budget?" and "What steps can we take to hammer out a policy of retrenchment which will have a lasting effect?"

CUTS MADE IN THE BUDGET.

I will start with the former and thus complete the budget picture. Although the Civil expenditure of the Government reaches apparently a large figure, the headings of normal administrative expenditure, which alone offer a straight-forward task, are really confined to those shown in the accounts as Civil Administration and Civil Works, together accounting for about 16 crores. Even in this reduced total, when one gets down to the actual task, the scope for action is further limited. Thus, about 3 crores out of this total represents expenditure on the North-West Frontier Province, and here, at the present moment, instead of finding a margin for economies, I am faced with new expenditure. I say irresistible, for how can w resist the claim that in this centrally administered area the standard of services, education, health, etc., should be brought up to that of the adjoining and similar districts of the Punjab? The most I can say in the face of such demand is that, in present financial conditions, we must advance slowly. But it has to be an advance. Then again, there are headings like Audit on which we spend over a crore, where the needs mainly depend on what the Provincial Governments require, while there are others where expenditure represents fixed liabilities. In the case of others again, fixed and increasing commitments have been recently undertaken as part of policies approved by this Assembly. I refer to such item as Agricultural Research grants, grants to the Aligarh and Benares Universities, and the development of civil aviation.

Apart from this, I would ask Honourable Members to appreciate the special work which is now falling on all Departments of the Central Government in connection with the constitutional Reforms.

I have dealt so far with the general head of Civil Administration. There is one other main head where we have power to control expenditure and that is Civil Works.

In the first place, on departmental expenditure we have made special cuts in the provision for contingencies and in the scale of certain allowances. These amount to 26 lakhs—an important percentage on the grants concerned. It is by the cut on contingencies that we hope mainly to check minor extravagances and leakages. Then we have drastically curtailed expenditure on works for Frontier Watch and Ward to the extent of 22 lakhs and on other special grants to the extent of about 14 lakhs. As regards Civil Works, by refusing all new major works, by slowing up expenditure on works in progress, and by severely reducing the grant for minor works, we have made a saving of 33 lakhs as compared with the current year's grant.

In this way we have made special economies of about 95 lakhs, and to this may be added the automatic decrease—owing to smaller revenue receipts—in the Road Fund grant of 7 lakhs, which brings the total economy as compared with last year on this head to 1.02 lakhs.

Apart from these definite economies, other adjustments show a decrease of 24— bringing the total reductions up to 1.26 lakhs after allowing for several items of new expenditure in the North-West Frontier Province. Against this there must be put certain unavoidable increases and new demands which I reserve for special mention, although they are of a fairly normal nature. There is, first of all, the automatic growth in the pay-bill owing to the operation of the time-scale system which involves us in an extra charge of about 23 lakhs. Further, in spite of the present hard times, we have decided to include a provision of about 2-1|2 lakhs as part of our programme for improving statistical records bearing on the economic condition of the country, while the grant to the Aligarh University will also go up 3 lakhs. These items totalling about 29 lakhs reduce the net saving to 97 lakhs.

This figure of 97 lakhs may be fairly said to represent the economy in normal Civil expenditure this year; but I have still to mention two very heavy non-recurring items, which would have had to dealt with differently if I had not been able to balance them by a wind-fall on the receipt side which I must now explain. The two items of expenditure to which I refer are 34 lakhs for the census and 19 lakhs for abnormal capital expenditure (mainly for new aeroplanes and ground works) in connection with the plan for a State Air Service and the general development of civil aviation. The census is of course unavoidable, while, as to civil aviation, it is necessary to carry on with this expenditure unless we are deliberately to abandon the policy which has already been accepted by this House.

A WIND-FALL

The special wind-fall to which I have referred is a sum of about 54 lakhs net to be realised from the sale of the Indo-European Telegraph undertaking.

GAP TO BE FILLED

As the receipt is 54 lakhs and the provision for these two items is 53, that gives me 1 lakh in hand to be added to the net saving of 97. Adding the resulting figure of 98 lakhs to the saving of 1,75 lakhs on the Military budget we have a total of 2,73 lakhs to put against the deficit of 17.24 crores with which I started.

This therefore reduces the gap to 14.51 crores, and this is the sum for which we must provide by new taxation.

RETRENCHMENT COMMITTEE

But, before I explain my proposals for taxation, I must deal with the second aspect of retrenchment to which I have referred.

I hope that I have said enough to demonstrate that we have made a great effort this year to cut expenditure. But in times like these, when we are asking the House to impose upon the country a heavy burden of new taxation, I recognise that Honourable Members may legitimately demand some means of satisfying themselves as to the possibility of still further and more permanent economies in expenditure. Speaking as Finance Member, I should welcome such a demand. We therefore propose that, if it should be the desire of this Assembly, there should be constituted a Retrenchment Committee consisting of five non-official members to be elected by the Assembly and two officials to be nominated by His Excellency the Governor-General, one of whom would be a representative of the Finance Department.

I wish to say something more than the mere announcement of this intention. Last year, when motions for general percentage cuts on all grants were moved by my Honourable Friend, Sir Hari Singh Gour, I emphasised to the House the danger of indiscriminate "axing." I think all of us have seen examples of this. In normal times expenditure inevitably grows from year to year. Then, for some reason or other—generally an economic crisis with a sudden drop in revenue—the burden becomes too heavy to be borne and there is a sudden demand for retrenchment. In such cases of emergency, the axe is often wielded with a view rather to immediate than to ultimate results. Indiscriminate cuts are made regardless of their effects—officials are discharged, and thereby additional pension charges are prematurely incurred—and then when the sudden feeling of enthusiasm has calmed down, and the crisis is past, it is found that essentials as well as non-essentials have been cut away. New men are engaged, their salaries added to the extra pension charges of "axed" officials, and in the end the net result may prove, in many cases at least, to have been false economy. With these considerations in mind, I resisted last year the demand for indiscriminate cuts. I promised, on the other hand, that a careful analysis of the growth of expenditure in the proceeding five years should be prepared and laid before the House. I wanted Honourable Members to see exactly where and why expenditure had been increased, so that they might launch a well-directed and not an indiscriminate, attack on the position. This analysis will now be available for them in the form of a very full Report by the officer whom we specially appointed for this duty. His Report will show exactly why, how, and where expenditure has grown and indicate the main fields to which the search for economies can be most usefully directed. The Retrenchment Committee will thus be able to start work with the assistance of much valuable material with all the preliminaries for their work carefully prepared.

MR. JUKES' REPORT

I must here make a digression to explain that, owing to circumstances beyond our control, there has been a delay, which I regret, in completing this Report. Mr. Jukes—the officer appointed—after presenting an 'interim' Report which was laid on the table during the last Simla session, had to be taken away from his work from the end of September till the middle of February in order to act either as Finance Member or as Financial Secretary in the absence, on duty in London, of Sir Arthur McWatters and myself. I had hoped that in the past two weeks he would have completed his Report for the press so that it might be available on the presentation of my budget. Unfortunately, he has been seriously ill and the work has been delayed. But I hope that the Report will be before Honourable Members in good time before the end of this session.

The primary task of the Retrenchment Committee will be to investigate possibilities of retrenchment in the Civil expenditure of Government as examined in this Report. But this work must be co-ordinated with other steps in a comprehensive plan.

COMMERCIAL DEPARTMENTS

Let me deal first with the Commercial Departments.

As regards the Posts and Telegraphs, Honourable Members are aware that a special Committee, to be presided over by a distinguished Member of this House, has just been appointed to examine the working of the system of commercial accounts for that Department. When that Committee has reported, the way will be open for Government to explore means and methods by which this Department may, most effectively and rapidly, but without detriment to its efficiency, be placed on a sound commercial basis and made to cease its drain on general revenues. If, after that, the Assembly consider it desirable that a further search for economy should be pursued. Government will consult with them as to the best way of giving effect to this.

Turning to the Railways, my Honourable Colleague, Sir George Rainy, has dealt with the question of economy in Railway administration and informed the House of the steps already being taken. He has also indicated that if the Railway results were to continue in such a way as to threaten the financial fabric of the Government of India, then it might be necessary to make a thorough enquiry into the possibilities of improving the position and that a special technical Committee would be required for such work.

NORTH-WEST FRONTIER PROVINCE.

Then there is another form of special enquiry to which I must refer, namely, expenditure in the North-West Frontier Province. I have already spoken of the inevitable growth of expenditure on beneficial services in this Province. But, as regards Frontier Defence, we have recognised that the search for economy must be rigorously taken up, and the Government of India have decided that the time has come to review the whole policy and to consider whether there is any chance of saving money by a better co-ordination of irregular troops, the Regular Army, and

(Continued on page 8.)

"Drifting Country To No-Tax Campaign."

(Continued From Page 1.)

sent political struggle in the country.

DRIFTING THE COUNTRY TO NO-TAX CAMPAIGN.

Now, coming to figures, there is a deficit of 17.24 crores. The finance Member says that the Military expenditure will be reduced by 175 lakhs and a retrenchmen on civil expenditure to the extent of 97 lakhs—thus bringing down the deficit to 14.51 crores. This deficit, the Finance Member proposes, should be made good by fresh taxation. Before coming to the merits of the new taxes, I am prepared to admit that the sound principle which is acknowledged by the world is that the tax-payers should not grudge to pay taxes as long as they are for the present and future benefit of the country. But what is the demand of the country all these years. The important demand in the now famous 11 demands of the country, as placed by the most powerful political body in the country namely, the Congress, is to reduce Civil and Military expenditure by nearly half and until this is done, it looks as though the Congress will adhere to its advice of no-tax campaign. If the Finance Member is not prepared to meet this demand in its entirety, does it not at least behove him to give effect to this important demand of the country to the extent that the Government of India can go. Is he not by his present method deliberately drifting the country to a no-tax campaign? Will not the people of this country be justified in construing that the Government is bent upon saddling this country with the heavy cost of both Civil and Military and that it is not disposed to cut down expenditure even when the fall in prices justifies it. Out of an expenditure of nearly 55 crores, a cut of 175 lakhs when the prices have gone down by 30 to 50 per cent. shows how callous the Government is towards the people. The remarks of the Finance Member in testifying to the ability and sincerity of thhe officials on retrenching to this extent are irritating. It shows that the Government have no desire to meet the just and equitable demands of the political party with whom the commercial community have sympathies. They have sympathised with the Congress because of the systematic and regular indifference of te Government towards the economic demands of the country.

LET SCHUSTER PONDER OVER THESE.

I will appeal to the Finance Member to ponder over these things. Does it need much demonstration to show that if the people, in their present temper, were called upon to pay two crores to the Congress to continue the present campaign to get their freedom, will they not do it for only a year and get freedom permanently in their own country rather than allow the country saddled by another 15 crores during the year? at the hands of a Foreign Government who persists in continuing a costly civil and military service which India cannot afford? Taxation of the people of India without an effective voice in the money that they supply has put up the back of every one in this country, whether agriculturist, commercial man, sympathisers of Government and even Government servants. If anyone has helped the Congress movement, it is budgets like the one under reference, which have driven the people to desperate straits and are helping the political movement. In all other countries except India, on budget occasions, means and methods are considered by which prosperity can be brought to the nation by trade, commerce, industry, research, agricultural development, etc. Our Finance Member has no such tale to narrate except proposals for new taxation and new loans. Are we not tired of proposals being dinned every year which never benefit the country, but benefit the foreign people of the country who domineer it.

I am not referring to the other demands of the political leader to which the Finance Member has referred cursorily, namely, the Exchange and Currency policy. There is no mention made by the Finance Member about India reserving her shores to cater for her own transportation nor is there any reference to the Salt Industry which is dying out against unfair foreign competition and dumping. For my part, I will be quite willing to new taxations subject to their examination provided the taxes are used to redeem our debts, and such taxation was made in such a way that it will meet the political demands which will bring about economic stability.

I must acknowledge that the rise in the Import Duty that has been proposed will be welcome to the political leaders. It would have met one of the chief demands of Mahatma Gandhi to stop imports of foreign cloth if the duty was put even at 50 or 30 per cent. as England did several years ago. This would stop picketing which is one of the causes of the deadlock in the way of peace and on which Mahatma Gandhi set his heart to see that this country should depend entirely on herself for the supply of cloth. Steps have been taken in this direction, but why not fully. Then we can expect Mahatma Gandhi not to insist upon picketing if by any other means importation of cloth can be prevented.

I would appeal to Mahatma Gandhi and the other leaders of the Congress to give up the police enquiry and the relaxation of the Salt Laws, which can be done by the country when we become masters in our own economic policy. We cannot expect mercy from foreigners, and conditions are becoming desperate and as mentioned by the Finance Member at the end of the 22nd para of his speech that though the Government does not wish to leave an unsound position with hidden weaknesses to their successors, their ations are leading in that direction. I would, therefore, appeal to the Congress leaders to see that the truce does not fall through by insisting on police enquiry and Salt relaxation laws but to insist that

(1) all deficits shall be made by retrenchment from the Civil and Military expenditure to the extent of 17.24 crores.

(2) any new taxation proposals should be done in consultation with the leaders by fixing it in such a way that will meet the demands of the country in developing her future constitutional position by strengthening the economic position in the way acceptable to the country.

TERMS OF TRUCE.

I would request the Government to come out in a generous spirit whether the Congress leaders agree or not and offer to the country without any higgling

(1) General amnesty to political prisoners.

(2) Restoration of land.

(3) Curtailment of expenditure to meet deficit.

(4) Prohibitive tariff duties on importation of cloth.

(5) Progressive policy of removing Salt Duty in a definite period of years.

(6) Full freedom to bring about the exchange and currency policy as the country likes.

(7) Make India self-supporting on the sea on its own coast and further promise to consider plan for reducing the agricultural tax and a graduated scale of prohibition policy.

To meet these, the question may be asked how can money be raised. I will answer by saying that expenditure should be reduced first to that extent and even by such equitable and just taxation which will be borne by the country with pleasure if the above suggestions are carried out. No one will grudge taxation if it is used for the benefit of the country and the policy of administration adopted to the wishes of the people.

If Government fail to meet these demands the leaders will be justified in breaking negotiations because these are some of the salient points. Until these are insisted upon and secured, there will be no peace in the country both economic and political. If Sir George Schuster is serious in his remarks he must bring about retrenchment to meet the deficit and that will be a good beginning to justify truce in the present campaign of the Congress.

I may be accused of giving gratuitous advice to both the parties, but I honestly feel that this is the time when the leaders of the country should put their heads together to see that the economic conditions of the country are not further worsened by insisting on formal technicalities. At the moment let us show to the world that our demands are practicable and are of economic importance and no international can say that we were unreasonable. If the negotiations fail, let them be on the ground of Government wanting new taxations for continuing their expensive policy against the definite wishes of the country. Let it not be said that the negotiations failed because of the demands of the Congress on police enquiry and Salt relaxation laws, which can be secured by us as soon as we are masters in our own country.

With all humility, I put these views before the country for the favourable consideration both by the Government and the Congress leaders.

In order not to make this statement too long, I have not referred to several important subjects, which, in the ordinary course, I would have liked to refer.

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INDIA'S BANKRUPTCY BUDGET

(Continued from page 7.)

the Air Force. A special Committee has been appointed to investigate this matter, and their Report should be available in a few weeks.

MILITARY EXPENDITURE.

Apart from this, I must also mention the whole field of military expenditure. Here, obviously, no substantial economies would be possible without changes in the composition and strength of the forces in India which would raise issues, military and constitutional, of vital importance. The study of this subject cannot be undertaken independently of the constitutional issue. It is a subject which has already received special consideration at the Round Table Conference, and I would refer Honourable Members to the Report of the Defence Sub-Committee of that Conference.

PAY AND CONDITIONS OF SERVICE.

Lastly, I come to a very important question, one which, in fact, pervades all the others, the question of pay and conditions of service. A good deal has been said and written on this subject to reductions in the pay of Government servants which have recently been effected in other countries. The subject has also been ventilated in the discussion on the Railway budget, so that, to that extent, I am not treading on new ground in this House. It is an extremely difficult subject and one on which clear thinking is essential.

Let me say something first as to its scope and significance in India. It is often brought as a charge against British administration that India, a poor country, has been burdened with a heavy load of pay for costly officials at the top, specially British officials, and that the money required for education and other beneficial services cannot be available until this burden is drastically reduced. If the matter is to be discussed on these lines, it is essential to be clear as to the facts.

I am not going to attempt tonight to deal in detail with the charge that the administrative machine in India is unduly costly. That would require elaborate comparison with other countries and a mass of figures with which I do not wish to burden my speech tonight. But perhaps at this point, I, as one who brings an outside vision to bear on this subject, may be allowed to express the view that no country has ever had more devoted and self-sacrificing work, or, to descend to material grounds, better value for her money, than India has had from her Civil Services. Their standards of work among the people, started in days when justice was not so well understood as now, have been unique, and have set an example to the whole world. I believe that Honourable Members, whatever they may thing of our shortcomings on these front benches as official members of this Government, will agree with me on the work done throughout the country. Moreover, if Honourable Members will trouble to compare figures for other countries, they will, I think, convince themselves that the administration of India has hitherto been carried out, on the whole, at a very low cost. But, as I have said, I cannot deal with this relative aspect of the question fully now. It might with advantage be studied by the proposed Retrenchment Committee.

What, however, may impress Honourable Members more directly is an examination of the actual facts of the case in India, for the purpose of demonstrating the scope of any saving which might be accomplished.

In order to make the position clear, I have compiled certain figures which are of great significance. The figures are taken from the 1928-29 accounts, being the latest actual figures available when I made the calculation.

57 CRORES FOR ADMINISTRATION.

Taking the Civil Departments (exclusive of the Railways), the total pay of all the officials of Government, British and Indian, high-paid and low-paid Central and Provincial, amounts to just under 57 crores. Of this sum, the Central Government's share is about 16 crores, and the Provincial Governments' about 41 crores. This total is distributed between gazetted officers on the one side and what are called 'establishments' on the other. The term 'establishments,' as Honourable Members are aware, covers all the clerical and lower-paid staff. Roughly speaking, with a few exceptional cases, it may be said that this part of the staff includes posts with pay ranging to a maximum of about Rs. 500 per month. I may add incidentally that it also includes all the police, and the irregular levies employed in frontier defence, to which special considerations apply.

Taking these two classes, the total cost of establishments amounts 41 crores, and of officers, British and Indian, Central and Provincial, all together, and including all leave pay, amounts to 16 crores, of which the Central Government's share is just under 4 crores and the Provincial Governments' just over 12. Incidentally, I may mention that out of this total the cost of British officers amounts only to about 6-1/2 crores.

Now, if the total pay of officers, British and Indian, Central and Provincial combined, amounts to only 16 crores, it is clear that no practicable cut in this figure could produce a revolutionary change. If all salaries were cut by 10 per cent, the total saving for the whole of India would only be 1.60 lakhs of which the Central Government would get about 38 lakhs and the Provincial Governments about 1,22 lakhs or not more than about 14 lakhs each. Even if this cut were multiplied to impossible percentages, it would not produce an effect which could really affect the fundamental financial problem and it is clear that, if effects which are even worth considering are to be produced, drastic reductions right down to the very lowest ranks would be necessary. This would be a very difficult task for any Government to face and one which might produce hard results for the lower-paid men. It is clearly not a case for hasty action.

Having thus done something to demonstrate the scope of the problem, it is next necessary to clear our minds as to the nature of action contemplated.

A very clear distinction must be made between a review of conditions for future entrants and an alteration in the position of serving officials.

In the latter case too, a distinction must be drawn between cuts, on the one hand, in allowances or in portions of pay which, according to the terms of service, are available, and, on the other hand alterations in besic and fixed rights. Action of the former kind is easy, and when comparisons are made with other countries, I must point out that, in several cases at least, the action taken has been of this kind. We also, so far as variable allowances are concerned, are taking action, as I have already explained.

"BREACH OF CONTRART."

On the other hand, an alteration in the basic and fixed rights of serving officials is a step of an extremely grave nature. Even apart from the constitutional rights of certain classes of officers, it would be, in a sense, a breach of contract, cutting at the roots of confidence in the good faith of Government, and likely to create a feeling of uncertainty in the public service which would be particularly detrimental at the present period of constitutional transition.

Apart from these considerations, there are others which stand in the way of hasty action by the Central Government.

The Central Government cannot take action alone. Quite apart from the constitutional responsibilities of the Secretary of State, it is also necessary to discuss the matter with the Provinces, for there must be uniformity of policy between the Central and Provincial Governments. Unless this is achieved, it is inevitable that great and justifiable discontent would be caused among the officials affected.

Again, it must be remembered that the future of the services—especially the All-India Services—is a matter of constitutional importance. It has already been considered by a special Sub-Committee of the Round Table Conference, and its consideration must be continued as part of the constitutional discussions.

I do not wish anything that I have said to be interpreted as meaning that we do not recognise that, in a case of national emergency, some sacrifice may be demanded from all concerned. We are also impressed by the fact that, at the preent time, the prospects, on the one hand, of lower price levels and lower revenue, and, on the other, of the needs of an increasing number of officials under the new constitution, demand that policy on this question should be reconsidered with far-sighted vision.

A CONFERENCE.

For both of these reasons, some action is now called for, and what we propose is as follows:—

First, so far as concerns a sacrifice to meet the present emergency, we consider that this can be most fairly put upon all classes in the form of an increase in the income-tax—a measure which will not select the particular class of Government officials for bearing a special burden. When I come to my proposals under this heading, it will be clear to all that they do involve sacrifice from all members of Government services, the severity of which I deplore, but which has been regulated as far as possible in proportion to their ability to make it.

Secondly, as regards measures for the future, it has been decided to hold a Conference on this subject in Simla, as early as possible after the Delhi session, with representatives of all the Provincial Governments, at which the possibility of revising the terms of service for new entrants into the services will be explored. The field for discussion at this Conference will of necessity be governed by the constitutional aspects of the question to which I have already referred.

The account which I have given of these matters shows, I think, clearly the general framework of the wider enquiries into which the work of a Retrenchment Committee of this Legislature—if this is appointed—will have to be fitted. Their recommendations will, in fact, have to be brought into relation with wider issues. But this will increase, rather than diminish, their importance.

PROPOSALS FOR NEW TAXATION.

General plan.—I must now turn to my proposals for new taxation. In devising a plan to deal with the present situation, it is necessary, in the first place, to make some estimate of its nature. Can we say—It is a temporary emergency for which it will suffice to devise temporary expedients? Or is there a need for the permanent addition of new weapons to our armoury of taxation? The truth, I think, lies between these two views. On the one hand, may say that, to a great extent, the situation is essentially abnormal and that, given a return to normal conditions, Central revenues, on the existing basis of taxation, might be adequate for the purposes of Central Government expenditure. On the other hand, we are not concerned merely with Central Government needs, and behind our own temporary emergency, there lies a permanent need for more resources for the reinforcement of the Provincial Governments' finances.

Therefore, of the new taxation proposed this year, my view is that some at least will be permanently needed, or at least cannot be abolished unless substitutes are found. This general idea will be found to underlie my proposals.

My plan for new taxation is all confined under the heads of Customs and Taxes on Income, for these are the only two ounces ready to our hand for providing sums of the magnitude now required.

IMPORT DUTIES INCREASED.

Customs.—I will deal first with Customs. My proposals fall into two distinct classes. I have first singled out a number of items on which it has seemed that the substantive rates can fairly be changed, and secondly, I am proposing a schedule of surcharges on other items. This distinction no doubt conveys a certain implication that the surcharges may possibly be less permanent than the other changes, but I do not wish to make too much of this. Future policy must inevitably depend on the revenue needs of the future. The heads in respect of which I propose alterations of substantive tariff itself, are liquors, sugar, silver bullion, betelnuts, spices and exposed cinematograph films. The 'liquor duties' are to be enhanced appreciably; the duty on beer and the like is at present undoubtedly low relatively to those on other alcoholic beverages and will be raised by about 66 per cent. above the present level, while those on wines and spirits (except denatured spirit and spirit used in drugs and medicines) will be raised by between 30 and 40 per cent. As regards 'sugar' this is a special case which I must deal with separately. The duty on 'silver bullion' I propose to increase from 4 to 8 annas per ounce. The other items mentioned will be transferred from the general rate of duty (now 15 per cent. 'ad valorem') to the "luxury" rate at 30 per cent.

Of the surcharges I shall not attempt in the time now at my disposal to speak in detail; we have at a stroke added to the 10 per cent. schedule a surcharge of 2½ per cent., to the general or 15 per cent. schedule one of 5 per cent. and to the "luxury" or 30 per cent. schedule one of 10 per cent. By far the most important of these surcharges is that of 5 per cent. on the general revenue schedule of 15 per cent., and connected with this, I must mention a feature of particular importance. We propose for this purpose to treat the basic duty of 15 per cent. on cotton piece-goods on the same lines as the general 15 per cent. schedule and to place the surcharge of 5 per cent. on these goods also. The surcharge on the 15 per cent. schedule is expected to yield 90 lakhs for cotton piece-goods and 2,63 lakhs for other goods.

Coming now to the schedule of non-protective special duties, here we have made additions appropriate to the general scheme, and I need only mention specially the surcharges that I propose to levy upon kerosene and motor spirit. Both customs and excise duty on kerosene are to be raised by 9 pies per gallon, while motor spirit is to bear a surcharge of 2 annas per gallon.

DUTY ON SUGAR.

Finally, I must explain my proposals as regards sugar. The case of sugar is a special one. I have included it in the list of items on which the basic rate is to be changed, but, in a sense, our proposal is actually in the nature of a surcharge. The position is special, because, while I am now proposing an increase in the duty for revenue purposes, we had received, just when my budget proposals were on the point of completion, the recommendations of the Tariff Board for the protection of sugar. Although I, as Finance Member, in bringing forward a Finance Bill, must look at the matter entirely as a revenue question, nevertheless, it would obviously be absurd for us to pretend that, with the Tariff Board's proposals in our hands, we can consider revenue measures with no reference in our minds to the plan for protection on which the Government will have to take a decision at an early date. At the same time, sugar duties cannot be permanently adopted as protective measures until they have been carefully examined by the Government and discussed, as protective measures by the Legislature. My budget proposals must therefore be regarded purely as revenue measures which are, however, provisional in the sense that they may shortly have to take on a permanent protective aspect.

The Tariff Board's Report will, I understand, be almost immediately available to Honourable Members. In the meanwhile, I must explain what are their recommendations as regards sugar duties. Summarised, the Board's recommendations are:—

(1) A basic duty of Rs. 6-4-0 per cwt. on all classes of sugar, including sugar candy, to be imposed for 15 years.
(2) An additional duty of Re. 1 per cwt. on all classes of sugar to be imposed for the first 7 years.
(3) Power to be taken to add 8 annas per cwt. to the duty at any time if the landed price of sugar at Calcutta ex-duty falls below Rs. 4 per maund.
(4) No protective duty on molasses.

Comparing these proposals with the present rates of duty, the position is as follows:—

Leaving out of consideration, for the moment, the lower grades which are of minor importance, the Government would, if they adopted the Tariff Board's recommendation, have to raise the duty on sugar of 23 D. S. and over from its present rate of Rs. 6 per cwt. to Rs. 7-4-0, i.e., to impose an additional duty of Re. 1-4-0 per cwt., while they would further have power to add an additional 8 annas per cwt. to the duty if the landed price at Calcutta falls below Rs. 4 per maund. I may say that at present the price is hovering just about this level.

So much for the Tariff Board's plan. My own proposals for revenue purposes had been very close to this, for I had actually contemplated an extra duty round about Re. 1 to Re. 1-8-0 per cwt. What I have now included is an increase of Re. 1-4-0 per cwt. on all grades of sugar. This, as I have said, must be regarded purely as a revenue measure pending consideration of the Tariff Board's recommendations. But Honourable Members will see that it is not inconsistent with those recommendations.

The combined effect of all these proposals as regards Customs duties will be to produce an additional revenue next year of 9.32 crores. We shall also obtain about 50 lakhs more from the increased import duties on galvanized pipes and sheets which the House discussed on 28th January last. This will raise the additional yield to 9.82 crores.

Incidentally, the new duties, which will operate from 1st March, and the increased duties on galvanized pipes and sheets, which came into force on 30th December, will add to our revenue for the current year a sum estimated at 88 lakhs, thus reducing the current year's deficit to 12.68 crores.

INCREASE TAXES ON INCOME

I must now deal with Taxes on Income—the other head on which I must mainly rely for help to fill in the gap.

My proposals as to 'income-tax' are as follows. The taxable minimum income for income-tax—Rs. 2,000—will not be lowered. The rate of tax on the lowest zone, up to Rs. 4,999 will be raised by 4 pies. The rates on higher grades up to Rs. 39,999 will be raised in some cases by 5 pies, in some cases by 6 pies, and in the highest of these grades by 7 pies. At present the highest rate is reached at Rs. 40,000. It is now 19 pies. I propose a rate of 25 pies on incomes from Rs. 40,000 to Rs. 99,999, and a maximum rate of 26 pies on incomes of Rs. 1 lakh and over. The estimated yield of these increases is 5,07 lakhs gross or, deducting 53 lakhs on account of increased refunds, 4,54 lakhs net.

In addition to this, I propose certain changes as regards 'super-tax.' At present all assessees except Hindu undivided families are allowed a deduction of Rs. 50,000 in computing the income liable to super-tax. This will be lowered to Rs. 30,000 except for Hindu undivided families and Companies, which will be allowed, as at present, a deduction of Rs. 75,000 and Rs. 50,000 respectively.

In the new zone, Rs. 30,001 to Rs. 50,000 the super-tax rate will be 9 pies. Above Rs. 50,000 the graduated scales will be increased by 2 pies throughout. The flat rate for Companies will be 1 annas as at present. These changes will yield, it is estimated 46 lakhs Thus the total estimated additional net revenue from Taxes on Income will be 5 crores.

Briefly, they will add an extra charge of about 2 to 5 per cent. on all incomes. The rates of additional tax have been so adjusted as to produce, in the final result, an evenly graduated scale of burden increasing as the income increase, and this object must be borne in mind in interpreting our proposals.

FINAL SURPLUS.

The total yield from the proposed changes in Customs duties and Taxes on Income thus amounts to 14.82 crores, as against which the gap to be filled is 14.51 crores, so that I am left with a small surplus of 31 lakhs.

POSSIBILITY OF GRANTS FOR SUGAR AND JUTE.

From this balance I wish to preserve the possibility of making certain grants for beneficial purposes.

It is particularly the desire of the Government to support schemes for the encouragement of the sugar industry, and there are certain schemes which may shortly be put before us by the Imperial Council of Agricultural Research which may require a provision of 5 to 10 lakhs next year.

Then again, there is the question of the establishment of a Central Committee for Jute, which Government also are most anxious to promote. This matter is now under discussion between the Government of Bengal and the various jute interests in Calcutta. The financial basis of the plan would be that Government should make some reduction in the rate of the jute export duty, and legislate for a corresponding amount to be levied as a cess for financing the Jute Committee. The total sum contemplated as required for this is estimated at about 5 lakhs, annually, and in order to enable the Committee to undertake useful work from the outset, the Government would be prepared to make a proportionate grant at this rate as soon as it is actually needed—pending the passage of the necessary legislation for the imposition of the cess.

SILVER.

It is necessary for time to make special reference to the proposed increase in the tax on silver because this has a general bearing on the whole question of our policy in relation to silver and its effect on the world position.

The increase of 2 annas an ounce which we are proposing is estimated to produce 75 lakhs from the import duty and 7 lakhs from the excise or 32 lakhs in all. In itself it is a clearly justifiable forms of raising revenue as part of the general plan designed to meet the situation which confronts us this year. The only possible objection to it might be based on broader grounds, that is to say, on a fear that it might tend to check consumption of silver in India and thus further weaken the price of silver to the disadvantage not only of India but of the whole world. We have given the fullest weight to this consideration, but with the very moderate increase in the duty which we now propose, we do not think that the fear is justified. Similar apprehensions were expressed in certain quarters last year when we imposed the duty of 4 annas. But although this weakened the price for a few days, the market almost immediately recovered, and in spite of the duty and of great decline of India's purchasing power, the consumption of silver in the current year is keeping up to the normal level. In fact, we anticipate a consumption, taking all sources of supply into account, of between 100 and 110 million ounces.

India's consumption should not therefore this year be seriously affected by the increased duty, while, as regards helping to maintain the prices of silver, we are prepared to consider action in other ways.

STEPS TO MAINTAIN PRICE OF SILVER

I announced in my budget speech last year that the Government of India would be prepared to co-operate with other silver interests if any practical scheme could be devised for controlling the production of new silver and the sale of new and existing stocks. Unfortunately, the only response to my offer has been on the lines indicated in certain utterances which have appeared in the press by representatives of the main producing interests in America. In general, these gentlemen propose that their own production of new silver should remain unrestricted, but that Governments and others who hold large stocks of silver should refrain from realising their holdings, and leave the world's markets free for the new production. Now, whatever criticisms non-official Members in this House may have made in the past on our policy of selling silver, I am sure that they would not expect the Government of India to part with the country's rights by acceding to any such one-sided arrangement.

The demand that the Government of India should refrain from selling is, indeed, an astonishing proposition when the facts are studied. For, in fact, the whole world depends on India as a consumer. In the five years ending March 31, 1930, India absorbed about 540 million ounces of silver or 108 million ounces per annum. According to present indications, her absorption, even in the current year, will be up to this average, so that the total absorption in 6 years will be about 650 million ounces. As against this, the Government of India have sold out of their own holdings a total of only about 90 million ounces since 1926. Yet it is suggested that even this moderate realisation is to stop, and that India is to stand aside and keep her own home market free to absorb the production from the the mines of Mexico and the United States.

TAXES ON INOME.

As to the income-tax proposals, I wish to make clear that we regard these very specially as measures designed to meet the present emergency, but not necessarily permanently required. Certain features, indeed, may be permanently retained, such as the adjustments in the grading of income-tax, and the reduction of the super-tax level, but, in the main, I would ask that these proposals should be regarded as a temporary measure, a provisional defence thrown up to meet the present need, behind which the situation can be studied and more permanently consolidated. We want during the next year to consider, first, whether we have to face a permanent reduction in our general revenues due to a permanent lowering in prices all round, and whether, as a result of this, there is any means for permanently reducing the cost of Government; secondly, how our plans for distribution of revenue to Provincial Governments under the new constitution an be fairly adjusted; thirdly, whether any alternative methods of raising revenue can be devised which will be less hampering to the economic life of the country. These are some of the main questions which have to be studied before it can be said that taxes on income must be retained at these rates.

TAXATION OF FOREIGN INCOMES.

The second point on which I wish to speak is this. It has for some time been apparent that there is a serious lacuna in the existing provisions for taxing income from foreign investments. In fact, our law affords a direct incentive to investors to place their money in foreign securities for the sake of avoiding income-tax.

I need not now go into any detailed explanation of the position—which is, indeed, well known—I will only say that we intend to introduce legislation this session for the taxation of income from foreign investments on the lines of the law now prevailing in the United Kingdom. This legislation, if passed, may bring in some additional revenue, but I have not made any allowance for this in the budget estimates. Our primary purpose will be to remove an incentive towards the export of capital which is extremely detrimental to Indian interests.

WAYS AND MEANS.

Summary.—I will now turn to a review of the ways and means position for the current year and the next, which I may preface with a summary in the usual form:—

(In crores of rupees.)

	Revised, 1930 31.	Budget, 1931-32
Liabilities.		
Railway capital outlay (construction)	14.50	11.45
Other capital outlay	3.53	1.93
Provincial drawings	11.50	9.50
Discharge of permanent debt (net)	13.33	29.54
Discharge of India Sterling Bills	2.00	....
Contraction against rupee securities	23.92	....
Other transactions	.76	—.18
	36.09	52.24
Resources		
Revenue surplus	—13.66	.31
Rupee loan (net)	29.71	15.00
Sterling loan (net)	35.64	24.76
Treasury bills with public	8.96	....
Loan from Imperial Bank	5.40	—5.40
Post Office cash certificates and savings bank	2.46	4.06
Other unfunded debt	2.46	5.64
Appropriation for reduction, etc., of debt	5.00	6.17
Depreciation and Reserve Funds	—5.92	.98
Reduction of cash balances	15.06	.72
	86.09	52.24

The ways and means programme for next year is necessarily tentative and subject to modification in the light of the actual circumstances which may arise. As the House knows, the Railway capital expenditure has again been drastically reduced, the provision for 1931-32 being 11.45 crores compared with 16.75 crores in the current year. As regards the Provinces, their borrowing programme has also been rigidly controlled so far as new works are concerned, but, in present circumstances, they have certain unavoidable financial requirements. Provision for their demands has, however, been reduced from 11-1/2 crores anticipated this year to 9-1/2 crores. With this reduced provision for Railway capital expenditure and for the Provinces, I estimate that the total amount of new money required will be 7-3/4 crores only. Assuming that all this new money required is raised in India, and that 7-1/4 crores of 6 per cent. 1931 Rupee bonds are converted, a total loan of 15 crores only would be required. So far as sterling operations are concerned, I assume that the £15 millions outstanding from the 5-1/2 per cent. 1932 loan maturing in January 1932 will be converted. Given normal conditions as regards borrowing and remittance from India, no further sterling loans will be required. But this, of course, will be dependent on the conditions to which I have referred.

The estimate which I have just given for the borrowing required in India, assumes that the amount of treasury bills outstanding at the end of the year will be the same as the beginning, viz., 45 crores. I hope, however, that conditions will be sufficiently favourable to enable Government to fund a portion of this floating debt, and as far as I can see at present, there should be no difficulty in accomplishing this without disturbing the market for Government securities.

"HOME" CHARGES.

In my geneal review of the financial position to which I shall shortly turn, I shall have to refer to the fact that a substantial export of capital has characterised the period through which we are now passing. This export, occurring at a time when normal trade is depressed, has seriously curtailed the ability of the Government to make remittances through the market and funds have been obtained in London mainly by sterling borrowing. £19 millions were obtained by the issue of 6 per cent. sterling bonds in May and October, while the recent issue of 5-1/2 per cent. sterling bonds will provide £7.8 millions during the current year, the last instalment of the subscriptions on this loan being payable only on April. In addition, £6 millions were borrowed from the Imperial Bank of India in instalments in July and August and repayable between January and April Instalments of £3 millions from this loan falling due in January and February were renewed for three months but the remaining instalments will be repaid from the proceeds of the 5-1/2 per cent. sterling bond issue, the net result being that £4 millions of the loan will be outstanding at the end of the year. On the other hand, £6 millions India bills falling due in December were repaid. The net sterling borrowings during the year will, therefore, have been nearly £25 millions. This amount, together with the purchases of sterling already made, viz., £5,395,000, will enable the Secretary of State to close the year with a balance of £4.3 millions. For next year, assuming that £15 millions outstanding on account of the 5-1/2 per cent. 1932 loan are converted directly or indirectly, I estimate that the net requirements of the Home Treasury will be £33-1/3 millions inclusive of £2.4 millions for Railway capital expenditure. With a reversion to normal conditions in the political sphere, and a restoration of confidence in the future stability of India under the new constitution, there should be no difficulty in obtaining this sum by remittance through the market. The future in this respect lies really in the hands of responsible Indian leaders.

REVIEW OF CURRENCY POLICY.

Before leaving this subject, I feel it necessary to put before the public a general review of the Government's currency policy, and its effects on the financial situation.

Much misapprehension exists in the public mind on these questions. The main charges which are made against the Government are that their currency policy has, first, by excessive contraction created a shortage of currency in the country producing a fall in prices; secondly, resulted in the Government incurring a heavy floating debt with serious loss to revenue; thirdly, in-

(Continued on page 11).

NEW GOVERNMENT SHOULD HAVE CONDUCT OF COMMERCIAL TREATIES.

Indian Merchants' Chamber On R. T. C. Proposals.

"The Committee of the Indian Merchants' Chamber have to-day issued the following statement regarding the Premier's statement and the proposals of the Round Table Conference:

The Committee of the Indian Merchants' Chamber have considered the summaries of the Reports of the Round Table Conference and the declaration of policy of His Majesty's Government and statements by responsible British statesmen regarding the future Contitution of India. They are of opinion that the sum total of all these does not make any substantial advance of India towards Dominion Status inasmuch as the Reservations, Safeguards and Guarantees sought to be imposed are of a nature which will effectively restrict the exercise of responsibility. The Committee, at this stage, do not express any opinion on the basis, structure and component parts of the Constitution. Whatever the form of the Constitution, the Committee are clearly of the opinion that the power and authority to make such provisions in the Constitution as may be necessary to ensure its stability and the credit of the country must vest in the Indian people themselves as they may well be expected to take all proper steps in that behalf.

RESERVATIONS.

With regard to the Reservations of the Departments of Defence and Foreign Affairs, the Committee are of opinion that the summary and complete exclusion of these Departments and all subjects included therein from the purview of the responsible Government of India would materially restrict the scope of that responsibility. They are particularly of opinion that the conduct of negotiations and conclusion of Commercial Treaties and Rights should rest with the responsible Government of India.

SAFEGUARDS.

With regard to the several Economic and Financial Safeguards sought to be imposed upon the future Government of India, the Committee consider that the net effect of all those safeguards, if conceded, would amount to such a restriction of the Financial and Fiscal autonomy of the country as would render impracticable all projects of Financial reforms and national well-being. In particular the Commitee hold that the right to prescribe the country's standard of value and the basis of Currency must rest exclusively with the Legislature of the country. They are clearly of opinion that the representatives of the country must be trusted to make such administrative provisions as may be necessary to give effect to such laws. The Committee cannot agree that the institution of a Reserve Bank should be made a condition precedent and indispensable, as proposed at the Conference, for the exercise of that right on the part of the Legislature.

GUARANTEES.

In regard to the specific Guarantees proposed regarding equality of treatment to the commercial and industrial non-Indian interests in India and in regard to any prohibition against legislation giving special advantage or facility to Indian industry and enterprise, the Committee are emphatically of opinion that such Guarantees cannot be given without permanently barring the industrial and commercial development of the country. They have no doubt that the responsible future Government of India will, while fully protecting and promoting the interests of Indian nationals in their industry and enterprise, pay all due regard to the just claims of non-Indians engaged in industry or commerce in this country."

INDIAN STATES' PEOPLE'S RIGHTS.

Deputation Sees Mahatma.

IMPLICATION OF R. T. C. PROPOSALS

Prof. Abhyankar who was the leader of the Deputation which had gone to Delhi to place the views of the States' people about the Round Table proposals before Mahatma Gandhi and the members of the Working Committee on his return to Bombay on Saturday made the following statement:

"We had requested Mahatma Gandhi to give us a hearing before he was prepared to consider the Round Table proposals. Accordingly we were asked to see Mahatma on the 21st February. We saw Mahatma in Delhi and placed our views before him. We made it clear firstly that the people of the States insisted on Paramountcy, not being divided and vesting ultimately in the Federal Government; secondly, that there should be direct representation by election of the States' people to the Federal Legislature and not through the nominees of the Princes; thirdly fundamental rights should be incorporated in the constitution with a view that violation of the same may be open to criticism in the federal legislature and may be cognisable by the Supreme Court and that the judiciary in the States should be linked to the Federal Supreme Court; and fourthly that in any future discussion of the Round Table proposals the people of the Indian States should be permitted to send their representatives.

The Mahatma gave a patient hearing to us but expressed no views of his own on the points placed before him. We also discussed our proposals with Pandit Jawaharlal Nehru in detail. We met certain other members of the Working Committee such as Sardar Vallabhbhai Patel, Mr. Sen Gupta, Dr. Pattabhiramaiya, and Mr. Rajagopalachari and Sardar Shardulsing. They showed their full sympathy with our demand. We also had the pleasure of having a long interview with Pandit Madan Mohan Malviya. We had also a long conversation with Sir Tej Bahadur Sapru and Mr. Jayakar. It was made clear to us by these two members of the Round Table Conference that no advance on the lines of a federation, on the introduction of responsibility in the Centre, and without the control of the army was possible unless the Princes came into the federation. The British people thought that the Princes represented the stable elements in the country and their inclusion in a federal scheme was indispensable.

PERSUASION THE ONLY WAY

The Princes, therefore, insisted on certain safeguards without which they could not consent to join the federation. It was also true that nothing can be forced upon the Princes by reason of their Treaties. It was only through moral persuasion and negotiations that the Princes could be induced to grant the necessary reforms in their internal administration. Asked as to what would have been the result if the Princes had been left out and only a federation of British India had been contemplated, Mr. Jayakar replied that there would have been a Viceroy with a Political Department under him, the bureaucracy having their full share, the control of the army remaining with the British Government and with the strength of 600 Indian Princes it would have been a tremendous obstacle to the successful functioning of a British Indian federation. On the other hand if the proposals materialise the Viceroy alone would be exercising paramount power and that too of a limited character, the Political Department would disappear and with the control of the army, ultimately transferred to the federal government with representatives of the States coming in close contact with British Indian representatives on various problems of the Federal Government with State representatives occupying seats in the executive, there is every chance that the repercussions on the States would be so powerful that in course of time the Princes would fall in line with the British Indian Provinces so far as their own Government are concerned.

NOT OPPOSED TO FEDERATION

We stated that now the Princes are coming on their own terms and the rights of the States' people are entirely neglected, why should we have any facination for this federation? He agreed, but said that in view of the prospective advantages we should not oppose the federation. It was, however, made clear that the people of the States are not at all opposed to the idea of a federation but would support the idea of federation, provided the present scheme is modified in the light of conceding representation to the States' people in the federal legislature incorporating fundamental rights in the Constitution and making them cognizable by the Supreme Court and in linking the Supreme Court with the judiciary in the States. Sir Tej Bahadur said that fundamental rights were in existence in some States and were absent in certain others. He, however, agreed that the machinery of enforcing these rights was defective and that a Supreme Court would be the proper Court to give relief to States people in this respect. Mr. Jayakar said that with fundamental rights being cognisable by the Supreme Court and with the States judiciary being linked with the Supreme Court, good government in the States would undoubtedly be assured; and by reason of contact of the Princes and their nominees in the Federal Government with British Indian statesmen the demands of the States' people would be soon satisfied. They further added that although at the outset there may be nominations so far as the States' units were concerned, experience in British India showed that they would very soon give place to election in the Indian States. Both of them, however, made it quite clear that all this depended on negotiations and moral persuasion. And they further assured us that they would give their whole support to these demands as stated above. They also desired that there should be intensive agitation in the States which alone would help the cause of the Indian States' people. As regards the inclusion of the States representatives in the future deliberations of the Round Table proposals no one was opposed to it except the Princes, and, if the Princes consented to the inclusion of some States' representatives in the future discussions, all of them would feel quite pleased

ABUSE OF FOREIGNERS' ACT.

The Deputation also discussed the question of the Foreigners' Act with some members of the Assembly. The Deputy President of the Assembly Mr. Shanmukham Chetty had invited some members during the recess to discuss the questions. There were present Mr. Joag, Mr. Das, Mr. K. C. Neogi, Mr. S. C. Mitter and Maulana Daudi. The abuses of this Act were placed before this meeting. It was pointed out that there was no authority given to Government under the Act to fix the destination of the deportee and the present method of arresting a man from British India and of taking him into custody and handing him over into the custody of the police of a foreign State was thoroughly objectionable. We requested them to help the States' people by putting interpellations and by moving an amendment of the Act so as to exclude the States' people from the operation of this Act, so far as this Act was concerned. It was also pointed out to them that this Act was during the last year used to harass political workers belonging to the States and living in British India. The members of the Assembly promised us their support in this matter. An exhaustive statement on behalf of Indian States' people criticising the Round Table proposals has been printed and would be very soon published. It is submitted to the members of the Working Committee."

CABLE ITEMS.

—:o:—

Rugby.—In the first few days of March, County Council election will be held all over the country and campaigns are in progress. On Thursday next elections will be held to the London County Council. 61 divisions will return 124 members. 279 candidates have been nominated, of whom twelve have been returned unopposed.—B. O. W.

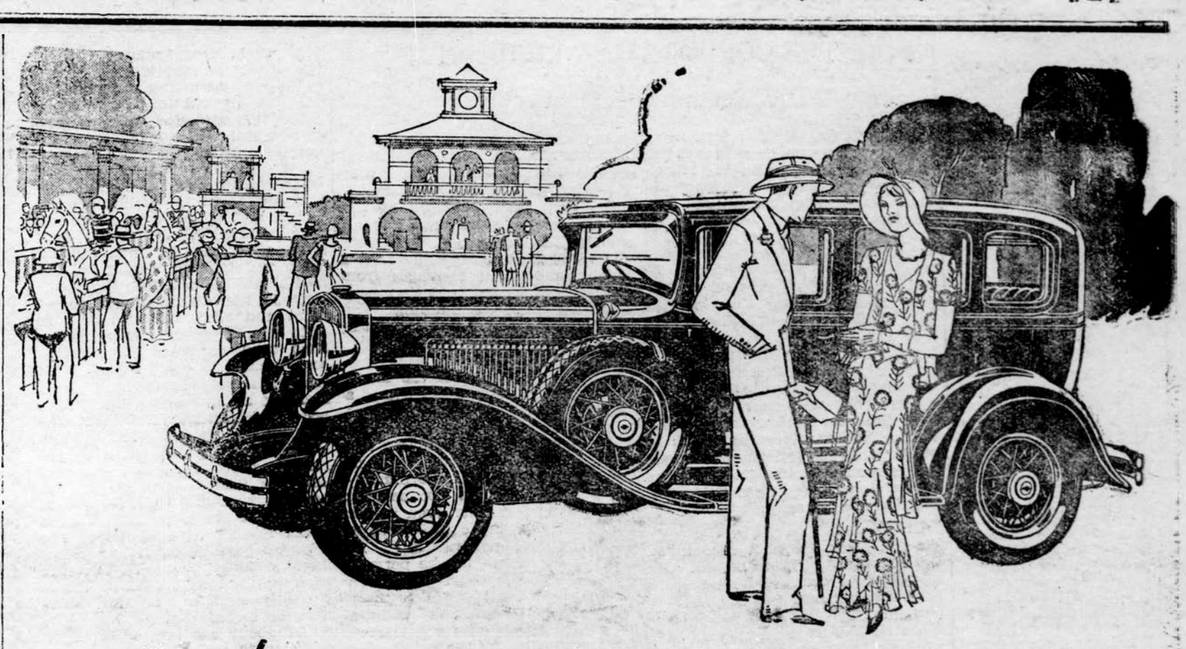
Athens.—Airliners on the India route have been permitted to pass over Greek territory under an agreement between Government and the Imperial Airways. The authorised routes are Belgrade to Alexandria via Salonika, Phanerum and Candia and Italy to Alexandria via Corfu Phalerum and Candia. Mirambello may be used in winter-time instead of Candia.—Reuter.

London.—The Privy Council has allowed appeal of the Commissioner of Lands in the case mentioned on February 3 and dismissed Abdul Husein's cross appeal. The judgment was delivered by Lord Atkin.—Reuter.

New Delhi.—Pandit Madan Mohan Malaviya has issued following statement: The foundation stone of a new temple of Vishwanath will be laid at the Hindu University on March 7th at 1 p. m. by the most revered Taponidhi Swami, Krishnashram Swami.

Belgaum.—The Tarun Bharat Press which printed the local vernacular weekly "Tarun Bharat" has deposited cash security of Rs. 2,000 demanded from it by Government under the Press Ordinance. The weekly, however, will not appear for the time being.—A. P.

Belgaum.—Mr. Juwekar, Secretary of the local Wanar Sena, was sentenced on Friday to pay a fine of Rs. 100 in default to undergo three months' simple imprisonment for contravening magisterial order by blowing a trumpet with a view to collect people. —A. P.



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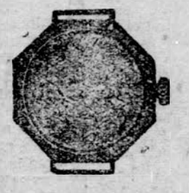

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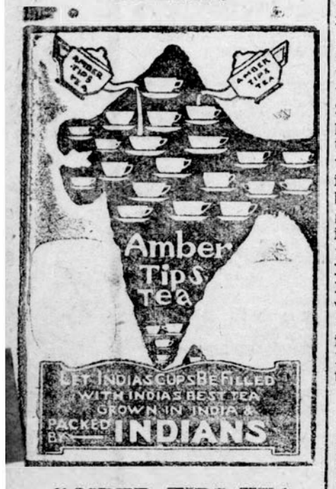

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THE CORPORATION INCIDENT

The Commissioner's Version

To The Editor of "The Chronicle."

Sir,—I have no doubt that you will in fairness publish the following reply to the letter from Mr. K. F. Nariman in the issue of the "Bombay Chronicle" of the 25th on the subject of the Corporation incidents on Monday the 23rd. The great issue that is attempted to be clouded is the right of the representatives of the City to deliberate on a question before them, free from obstruction or molestation by a section of the public who may hold pronounced opinions on the question on one side or the other. The real issue is whether it is right for any section of the public, however large or small, to render the deliberation of their representatives impossible by force or coercion if they fear that the decision will be against them.

In the first place, Mr. Nariman has not given a correct account of the conversation between him and me when he brought a number of Desh Sevikas into the Corporation hall on his own responsibility. Since he had done so, I asked him whether he would give an undertaking that the ladies would not render the conduct of the meeting impossible either by physical obstruction of the members or in any other way. I did not discuss their right to cry 'shame' or that of the other side to applaud. All I desired was that the conduct of the meeting should not be rendered impossible. Mr. Nariman not only refused to give any such undertaking but went on to say that he should not be surprised if they had come with such an object. He then challenged my right to have anything to do with the subject and defied me to do what I chose and take the responsibility. I did not conclude my interview with Mr. Nariman with a threatening "We shall see." As for the Fire Brigade, Mr. Nariman is well aware that it is the custom to call some members of the Brigade to help in keeping order whenever a large attendance is expected at any Corporation meeting. Instructions for a small party of Fire Brigade men to be present, were issued the previous evening and not after my interview with Mr. Nariman. I may add that there was not a single Pathan among the Fire Brigade men present. The gallery of the Corporation hall was opened at the usual time and far from keeping ladies out, a number of them were expressly invited to go there, but only a few of them chose to do so. There is not the smallest doubt that everything that happened, was prearranged and carried out according to plan. Even as early as 11 a.m. (S.T.) when I came to office, there was about half a dozen Khadi-clad individuals in the porch of the Municipal office engaged in some consultation. The first batch of Sevikas arrived at the Corporation hall as early as 12-30 (S.T.) although the meeting was fixed for 3 o'clock (Bombay Time) and by 2 o'clock (B.T.), the Sevikas had taken possession of all the strategic points within the Municipal building as well as the doors leading to it. Mr. Nariman says that it was as a "protest against this attitude of the executive and the Police that vigorous and more aggressive steps were taken by the popular side." How then does he explain the fact that it was not till 2 o'clock (B.T.) that the Police appeared on the scene and by that time the whole of the Corporation building was taken possession of by the Sevikas, volunteers and members of the public and the entrances were completely blocked by them? There were about two hundred of the members of the public within the building by 2 o'clock. The admission of the public by the main gate opposite the Sir Pherozeshah Mehta statue was not restricted at all. My instruction was to admit them by that gate and then on to the gallery of the Corporation hall in the order in which they came upto the capacity of the gallery. It will thus be seen that Mr. Nariman's outcry that the public was shut out, is unfounded. Only the gate below my office leading straight into the Corporation hall was closed with instructions to admit members of the Corporation only by that gate. By that time a number of members of the Corporation were prevented from entering the building by the crowds at the gates and some were even maltreated as the instance of Sir Phiroze Sethna shows. I received telephone messages from a number of members that they could not enter the building as their way was blocked by the crowds. The Police were, therefore, requested to clear the entrances so as to enable the members to enter. Even then, with a view to minimise the use of force as much as possible, only one entrance beneath my office was cleared. The idea of Mr. Nariman seems to be that the Municipal executive should not perform their elementary duty even in the matter of enabling councillors to enter the building and that he and his friends should be permitted to take undisputed possession of the whole building and to defy every law and regulation without protest. The use of force is rendered inevitable by the conduct of Mr. Nariman and the moment any force, however small, is used, a howl of execration and vilification is raised. It may be emphasised that not a single policeman entered the Municipal building itself although a number of offences such as criminal trespass, unlawful restraint and obstruction of public servants were committed, which amply justified the entry of the police.

Now that Mr. Nariman finds that he and his friends have gone so far as to disgust the more sober-minded even on his own side, he tries to excuse himself by representing that all that was done, was done as a protest against the high-handedness of the Executive and yet his own words at the meeting on the 23rd conclusively prove the falseness of this excuse. When in the course of my speech, I said that from the first the whole idea was to render the conduct of the meeting impossible, Mr. Nariman intervened with the following remarks:—"Yes. That was so. I make no secret of it. It shall be done again." Dr. Choksey supported him and said: "Yes. It shall be done again." If any further proof were wanted, it is supplied by the remark of Mrs. Khama Rao on the front page of the very same issue of the "Bombay Chronicle" in which she is alleged to have said: "Muster strong at the Corporation Hall on any day when they take up the matter and make it an utter impossibility to get that measure passed." Finally, the "Congress Bulletin" of the 23rd exhorts the public "particularly our sisters to muster in their thousands" and goes on to say:—"It is therefore decided to picket every gate of the Municipal building this afternoon from about 1-30 p.m. The 'War Council' calls upon the citizens to help the men and women volunteers in this picketing .....Those members attempting to attend this meeting are hereby warned that their entry will be prevented by all peaceful means." Does Mr. Nariman still pretend that the vigorous and more aggressive steps" were taken by him and his friends as a protest against my view of the right of the public to occupy the Corporation Hall? Mr. Nariman who, I understand, has received the appellation of 'Vir' from his admirers, might have the manliness to admit his own intentions instead of resorting to unworthy subterfuges.

As for the right of the public to enter the Corporation Hall whenever they please, so preposterous is the claim that even a nationalist member, while not agreeing with me on other points, was moved to remark at the meeting on the 23rd that the Corporation Hall was not a public place in the same sense that the Victoria Garden was. Yet, even in the Victoria Gardens, I regulate the hours of admission and close the gardens in case of serious apprehended or actual disturbances. Under Section 64 of the Municipal Act, the entire executive power for the purpose of carrying out the provisions of the Act is vested in the Commissioner subject to the approval or sanction of the Corporation or the Standing Committee whenever that is expressly provided in the Act and to such other restrictions, limitations and conditions as are imposed by the Act. There is no such restriction or condition regarding the control of the Commissioner over the Municipal building. It is the preservation of order at the meeting alone that is vested in the President under Section 36 A. quoted by Mr. Nariman. The right of the President to control the meeting and of the Corporation to admit or refuse admission to the members of the public at the meeting, has never been challenged. I made that perfectly clear in my speech on the 23rd; but it cannot by any stretch of the imagination be said that a meeting called for 3 o'clock (B. T.) began at 12-30 (S. T.) If the public have a right to occupy the hall three hours before the meeting time, why not five on the previous night if they choose to do so? Assuming that on this occasion the intentions of all those who attended were perfectly peaceful and non-violent, it is not difficult to conceive of some other more exciting occasion when the interests of a more violent section of the public are affected and a crowd of three or four hundred men without even any pretensions to non-violence come and take possession of the hall a few hours before the meeting. Is the Commissioner to sit quiet and allow them to do so until the President comes at the fixed time, convenes the meeting and decides to eject them? It will be impossible to hold any meeting at all unless the Police were rejuisitioned to clear the hall by the use of force and what an outcry would then be raised against the Commissioner and the Police! Although the position regarding the control of the hall is perfectly clear, I have taken further legal opinion. The legal advisers of the Municipality have absolutely no doubt that the legal position as stated by me is perfectly correct. If Mr. Nariman or anyone else has any doubt about the law, it is open to them to go to any Court of Law and obtain any injunction, declaration or order to the contrary. Following Mr. Nariman's methods, I challenge him to do so. Nothing was easier for me if I wanted to shirk an unpleasant task, than to pretend like Mr. Nariman that the occupation of the Corporation hall was no business of mine and to sit with folded hands in my office. My conception of duty, however, is not to run away from it the moment it begins to get unpleasant.

It would have been perfectly legitimate for Mr. Nariman and those of his way of thinking, to hold meetings and carry on similar propaganda to instruct their representatives not to vote for the address, but to prevent them physically from entering their Council chamber, is a mockery of representative government and indeed a negation of all government whatsoever.—Yours etc.,

A. R. DALAL.

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R. T. C PROPOSALS DON'T BENEFIT THE MASSES

Manifesto By Youth Leaguers

The following are extracts from a manifesto, which has been issued over the signatures of a number of Youth Leaguers, Trade Unionists and members of the Akali Dal in Bombay.

The manifesto is also being endorsed by others actively engaged in the present struggle for national freedom in other parts of the country, including Bengal, the United Provinces and Lahore. The sponsors of the manifesto propose to place it before the country for endorsement in public meetings convinced for the purpose.

"It is highly regrettable that the Congress leaders should agree to consider the reforms proposed by the Round Table Conference. All the talks and negotiations for peace only confuse the situation brushing aside the cardinal issue. The Round Table Conference has sketched the plan for a compromise on the basis of minimum concession to the upper strate of the Indian people. This is a gross violation of the principle of national freedom. No compromise, however liberal may be the reforms gained, can ever be independence certainly not for the masses of the people at any rate.

Looked at from the point of view of the great majority of the population, the proposed reforms cannot be interpreted as containing the most rudimentary elements of freedom. The masses of the Indian people are languishing in the lowest depths of abject poverty. The peasantry is bankrupt, pauperised, sunk deep in ruinous indebtedness. The workers in towns and villages, live and die in indescribable misery, starvation staring them in the face throughout life. The conditions of the middle classes is hardly any better. The only standard for national freedom is concrete improvement of these conditions of the majority of the poeple.

REFORMS DON'T BENEFIT MASSES.

The proposed reforms will not free the peasantry from the grinding burden of imperialist tribute, feudal levies and usurious indebtedness; they will not guarantee a human existence to the workers; they will not confer such minimum political rights as might enable the masses to defend and further their interests; in short, they will not in the least alter the conditions of the great majority of the people.

As far as the great majority of the people are concerned, nothing whatsoever is offered; so they cannot share the opportunist view "let us take what is available and fight for more."

The present confusion of issues arises from the ambiguity about the nature of our goal. As an abstract conception, the ideal of independence remains open to all sorts of interpretation. Further development of the struggle for freedom, therefore, depends upon a clear view of the goal. A constitution that can lay down the basis for real freedom must be constructed on the following principles:

1. Unconditional transfer of all power to the people;
2. Abolition of the Indian States and parasitic landlords;
3. Freedom of the peasantry from all exploitation and exaction so that the greater part of their surplus produce remains in their possession;
4. Nationalisation of land, public utilities, mineral resources and banks;
5. Repudiation of debts contracted under the present system of Government.

6. Provision for an irreducible standard of living for the workers through the introduction of minimum wages, limited hours of work, healthy conditions of labour, insurance against unemployment, sickness, old age, etc.;

7. Control of the economic life of the country by the workers and peasants so that the fruits of national freedom may not be usurped by a fortunate few;

"A Constituent Assembly" elected by the exploited masses alone has the right to promulgate the Organic Law of the Free National State. Committees composed of delegates from the organisation of the various exploited classes—workers, peasants, artisans, small traders, employees, poor intellectuals shall be brought into being in the course of the struggle for enforcing their respective partial, immediate demands (minimum wages, eight hours day, reduction of rent and taxes, liquidation of the poor peasants' indebtedness, control of usury, unemployment relief, freedom of press, speech and associations, etc.).

When the country will be covered with a net-work of such local Committees, these will elect deputies to a National Assembly.

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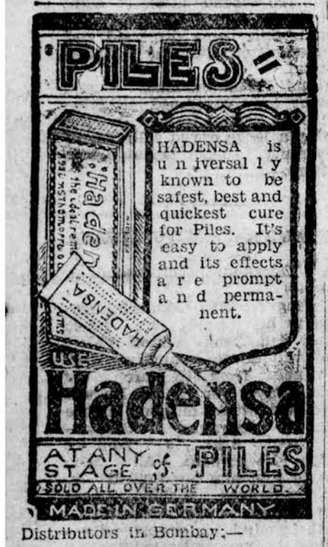
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INDIA'S BANKRUPTCY BUDGET

(Continued from page 8.)

creased the difficulties of the business world by the artificial creation of dear money; and fourthly, reacted on the credit of India and to costly sterling borrowing.

CONTRACTION JUSTIFIED.

I wish to deal with all these charges and to explain in a very elementary terms (for which those who are experts on this subject must excuse me) the manner in which our duties as currency authority have unavoidably reacted unfavourably on our financial position. I will take them in order beginning with the charge of contraction. Here I must, at the outset, emphasise two points:—

First, that the reduction in the volume of currency in circulation is by no means excessive, having regard to the fall in prices and the diminished money value of business transactions.

Secondly, that India plays a minor part in the world actior affecting prices. India is not a large enough factor to be able to take the lead in international economics, and the level of prices in India for all commodities which are handled in international trade must follow world prices. Our contraction, therefore, has been a necessary consequence of, or sequel to the fall in world prices. It cannot be regarded as a 'cause' of that fall. If we failed to regulate our currency policy in such a way as to keep internal prices in India on a parity with world prices, it would mean the establishment of an inflationary position in India, which would upset the balance of trade by encouraging imports and discouraging exports, and lead inevitably to a loss of India's gold reserves. This is elementary.

Now, as to the extent of our contraction, I believe that an impartial observer, far from saying that this has been excessive, would be more likely to take the contrary view and criticise Government as currency authority for not having contracted currency sufficiently. It is not easy to prove this assertion by precise figures because so many factors have to be taken into account, but the following calculations bring out the main consideration and afford striking general support to the thesis which I have stated.

According to the evidence tendered to the Currency Commission, the amount of rupee coin outstanding on the 1st April 1926 was 350—400 crores of which 77 crores were held in the Paper Currency Reserve while the note issue on that date amounted to 193 crores. The total amount of currency in circulation at that time therefore, taking notes and silver currency together, was somewhere between 463 and 516 crores. Between 1st April 1926 and 31st December 1930 the return of rupees from circulation amounted to about 84 crores, while the note issue on the latter date was 161 crores, so that the total amount of currency in circulation was about 370 to 420 crores. That is to say, since April 1926, there was a reduction of 18 to 20 per cent. In the same period the Calcutta index number of wholesale prices fell 31.5 per cent., that is to say, from an average of 148 in 1926 to 101 in December 1930. The percentage reduction in the amount of currency in circulation is therfore small in comparison with the percentage reduction in prices.

This, then, is my answer to the first charge:—

The contraction effected by the Government has been an essential sequel to the fall in world prices, and it has not been carried to an excessive extent.

DETERIORATION IN FINANCIAL RETURNS INEVITABLE.

I now come to the second charge. This is no more than a complaint about what in fact is an inescapable result. For it is unavoidable that contraction of currency should have an adverse effect on Government finances when the Government are the currency authority. The Government by putting into circulation coin or notes, make thereby a profit. For they have the use of, or get the credit for, currency which cost them much less than the face value of the currency produced, and are able to save or earn interest on this money. The Government thus get the benefit, in the case of coin, of the difference between its face value and its bullion value, and, in the case of currency notes, of the currency value less the cost of printing the notes. To the extent that currency has to be contracted, the Government inevitably lose this benefit. Thus they suffer not an absolute loss, but a diminution in the profit which they would otherwise make as currencyy authority if more notes and silver currency were in circulation. The effect is seen in the form of, on the one hand, a drop in the amount of treasury bills held in the Currency Reserve, the discount on which comes back to the Government as currency profits, and on the other hand, an increase in the treasury bills held by the public, on which, of course, the discount goes to the public. My answer to the second charge therefore is this—The deterioration in the Government's financial returns is inevitable if the volume of currency in circulation has to be reduced. It is no use blaming the Government for what is called their "ruinous policy." Government have no choice in the matter if they are to perform their first duty as currency authority—the duty of maintaining stability of the currency.

POLICY OF DEAR MONEY FORCED ON GOVERNMENT.

I now come to the third charge. As to this I venture to assert that the following is a true appreciation of the position. While contraction of currency has been the normal sequel to the fall in world prices, there would have been no necessity for maintaining rates of interest in the money market at such a high level if there had not been present other reasons of a nature special to India. I must say something of these special reasons. The disturbance created by the Civil Disobedience movement, combined with the general uncertainty as to the political future of India and the effect of constitutional changes, has created a general feeling of nervousness among Indian investors and caused a considerable flow of capital from India. It is impossible to obtain even approximate figures of amount of capital exported, but an examination of the trade figures and the Government remittances gives some idea of its magnitude. The visible balance of trade in favour of India for the nine months April to December 1930 was 34.43 crores as compared with 41.62 crores in 1929 and 39.76 crores in 1928. This figure is, in all the circumstances and having regard to the abnormal fall in the world prices for India's exports remarkably favourable. On the basis of this balance of trade, it would have been legitimate to expect that, even in this bad year, Government would have been able to effect large remittances to London; but the actual facts are that during the last three months, Government have had to make considerable sales of sterling to meet demands for private remittance and these sales have practically balanced purchases made earlier in the year. This phenomenon must be ascribed almost entirely to export of capital, partly movement of real investment money and partly speculative remittance due to apprehensions regarding the financial stability of India. Now, this is a process which the Government of India, both in order to maintain stability of currency and in the general interests of India, are bound to fight. And this they have done. In order to check this export of capital and attract money to India for investment, they have taken the measures which the currency authority of every country is bound to take in similar circumstances in order to maintain the value of the currency; that is to say, measures designed, on the one hand, to make it difficult to obtain rupees for conversion into foreign currency and on the other, to make it attractive for foreign funds to seek employment in India. With this object Government have had to maintain interests rates at a higher level than would otherwise have been necessary, and have had to draw surplus funds off the market by issue of treasury bills at expensive rates. This policy has, of course, inevitably, not only had an adverse effect on Government finances but has also reacted unfavourably on private traders; 'but it has been forced on the Government by those private interests who, for various reasons—nervousness as to India's future or the desire for speculative gain,—are sending money out of the country.'

COST OF BORROWING GOVERNED BY POLITICAL FACTORS

This brings me lastly to the fourth charge which is closely connected with that which I have just discussed—the charge that this policy has depreciated India's credit and led to costly borrowing—particularly sterling borrowing. It is, of course, true as a general proposition, that high rates in the money market have a tendency to depress the price of Government securities. But this is no more than a general tendency, and in the case of India, high rates for short money this year have certainly not been a major factor in the security market. Though money rates in India have been high in relation to the rest of the world, they have been no more than normal for the busy season in India. The experience of recent years shows quite clearly that, with an effective bank rte of 7 per cent the long term Government securities may quite well be selling a 4 1/2 per cent basis. Money has only been tight for short periods this year, and we must look elsewhere for the main cause of the decline in Indian securities. Their prices have, in fact, been governed almost entirely by political factors. It is of course inevitable that, with great but uncertain constitutional changes hanging over the whole position, the price of securities should fall. Rupee securities in India must, in the main, move in relation to London prices, and the London business world dislikes uncertainty above all things. It need not necessarily mean in those who may be responsibl for working the new constitution, but rather a fear of the unknown, and a feeling that the new machine must prove itself. On top of this, however, the effect of uncertainty has been enormously increased by some of the aspects of the civil disobedience movement. I do not wish to dwell on these matters to-night, nor do I share the general lack of confidence in the future, but it is perhaps not unreasonable to ask those who resent it to realise that the changes now under discussion are sudden and vital and that the outside world get accustomed to new ideas, and in the meanwhile, demand some proof or guarantee for the new order.

DEFENCE OF SAFEGUARDS.

If, for these reasons, safeguards are proposed, their object is the maintenance of confidence and credit until the new order has proved its stability. In these circumstances, the best service that representative Indians can render to their country is to convince the world that safeguards will never have to be called into play, and this they can best do by joining us in a common effort to work out means both for solving the problems of the immediate future and for effecting, without shock or weakening, the coming change in the foundations on which the whole structure of Government depends.

In the meanwhile, we who bear the present responsibility can do no more than carry out our task with honest purpose and fixed determination. If that common effort to which I have just referred could be made, many of India's present difficulties would disappear I believe that, if we could restore trust in the future, investors would regain confidence, the movement of capital would stop, further borrowings in London would become unnecessary, securities would rise, and India could enjoy with the rest of the world, that help which cheap money can give to commerce and industry. All this lies rather in Indian hands than in ours.

NO CHANGE IN RATIO.

At this point there will, of course occur to many the well-known argument that it is only because the Government are maintaining the so-called "unnatural ratio" of 1s 6d. that all these difficulties are being felt. I have no time to enter fully to-night into that old controversy; but there are some points which I must emphasise.

Every single one of the steps which we have had to take this year in the way of contraction of currency to meet the fall in world prices would have been equally necessary in order to maintain stability of exchange, whatever the level at which the ratio had been fixed. If the rupee had been stablised at 1s. 4d. in 1926, the present fall in world prices would have been felt in India with exactly the same severity, and similar contraction of currency would have been necessary. Those who, in order to avoid such steps, and "to meet present difficulties," are pressing for a change in the rupee ratio, are really asking (although they do not always realise it) not for a mere change from 1s. 6d. to 1s. 4d. but for a completely unstable currency as opposed to a currency stabilised in relation to gold.

Whether, if exchange had in the past been stabilised at 1s. 4d., the speculation and the the export of capital to which I have referred would have been any less, is a question which I must leave to others to argue.

It is a barren speculation, for we are not concerned with what "might have been," but with the practical question: "What ought we to do now?"

On the answer to that question I can feel no shadow of doubt. I can imagine no course more fatal to India's financial well-being than to make a change in the currency system now. To those who urge this course I would say—Realise what you are doing. There is no question now of choosing between 1s. 6d. and 1s. 4d. It is a choice between a stable currency and complete instability. If once the country, having adopted stability and accepted a statutory obligation, repudiates that obligation in order to meet difficulties of the moment, what confidence can any one have in the future that such a step will not be taken again? You could not thereafter maintain stability. Do the Indian public really want a completely unstable currency? I am certain they do not. I am certain that, if that choice was made clear to them, they would reject it, and I am certain that they would be right in doing so. In any case, it would be madness to risk a change amidst all the present uncertainties, when the old foundations on which the present India has been built up are to be withdrawn, and when the economic crisis is unsettling the whole world. It would be nothing less than a breaking away of the ship from its anchorage and letting it drift all unprepared into the storm. In saying all this, I am only repeating what I have often said before. I repeat it because the new circumstances have not lessened our duty to defend the position in India's interests. They have rather made it stronger. That defence must be continued; but if we could achieve that common effort of which I have spoken, it would be possible to divert the energy and resources which must now be expended in mere defence, into a constructive programme for the benefit of trade and of the economic life of the country which so badly needs it.

TOBACCO MONOPOLY.

As an example of new sources of revenue which demand special study. I would specially refer to the consumption of tobacco, the consumption of matches, and possibly also death duties. If we examine the fiscal systems of European countries, we find that, in almost all cases, great reliance is placed on these sources of revenue. In India, however, they play practically no part.

As regards tobacco, I may take this opportunity of expressing my appreciation of a very valuable Memorandum which I have received from the Chairman of the Bengal National Chamber of Commerce, containing a study of the operation of a tobacco monopoly in other countries and suggesting the introduction of such a system in India. This is a matter which has often been considered, but never, I think, pursued to the end, and we are now consulting Provincial Governments, as to setting up a special Committee to study the question this year.

Then as regards matches. The question of imposing an excise duty on matches is also no new one. But, for various reasons, until there can be established some form of economic union between British India and the Indian States, providing for joint action on such matters, this source cannot be developed to produce important sums of revenue. The possibility for such joint action will, I hope, be provided under the Federal constitution for India which has now come within the horizon of practical politics. Pending the achievement of this, we are studying the practical possibilities.

BANKING ENQUIRY.

As to a constructive policy to help the economic development of the country,—this is so wide a subject that it is more difficult to define exact proposals. The greater part of the field of action lies with the Provincial Governments, but I myself hope that the Banking Enquiry Committee, whose Report should now shortly be available, may open up for us in the Central Government some lines of action. Connected wtih the subjects with which the Banking Committee are concerned, are two which have always seemed to me to be of dominating importance for India—the proper organisation of the marketing of Indian agricultural produce and the development of the co-operative movement. I can merely mention these—there is no time now to develop all that is to be said about them. Apart from the Banking Committee's recommendations, there are several matters now before us—the Tariff Board's Report on Sugar, the creation of a Central Jute Committee, and the Tariff Board's Report on Salt, while Honourable Members are also aware that we have been studying the question of setting up an organisation for the better study of economic questions. As to this, we hope to receive Sir Arthur Salter's Report in the course of the next few weeks, and to publish it immediately.

Speaking for myself, my main pre-occupation is to run the business well while I am responsible for it, and to hand it over in sound condition with no hidden weaknesses and with credit unimpaired. But that is merely the negative or defensive side of policy. The active and constructive side—the preparation for future development—must also be considered. Perhaps Honourable Members, truly interpreting these remarks which I have made, will be able, in the course of the debate to suggest means and methods for that co-operation on which, in the conditions which now surround the welfare of India, for all the future which we can foresee, may possibly depend.

Sir, I have done. I will not attempt any rhetorical peroration but merely say this. I have tried, in these proposals, to measure the needs fairly and to meet them fully, guided above all things by the purpose of handing over a sound business to my successor.

DELHI, Feb. 28.

Sir George Rainy will move in the Legislative Assembly on the 2nd March, "that Parliamentary papers in connection with the Round Table Conference be taken into consideration." A. P.

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CONGRESS NAGAR IN THE MAKING

—:o:—

Karachi Prepares For Next Congress Session

BUT "DICTATOR" AND CONGRESS WORKERS ARE JAILED

(From Our Correspondent.)

KARACHI, Feb. 27.

The work of actual construction and digging the ground for Congress Nagar started in right earnest to-day.

As the time left is very short it is intended to carry out construction work during night also; otherwise it will be impossible to cope with the enormous task. The General Officer Commanding has issued an appeal for 2,000 volunteers. The latter will be required to undergo training in drill at least thrice a week. All male volunteers will be made to live in Congress camp for the last ten days. The uniform of volunteers will consist of a shirt, shorts, cap and stockings all made of khaki Khaddar which will cost rupees five.

CONCESSION FOR JAIL RETURNED!

The jail-returned will be provided uniforms free and among the rest preference will be given to those who provide their own uniform or take it from the Reception Committee at half rates. It is proposed not to accept volunteers from other Provinces as the Railway fare will have to be paid to them and as it is expected Sind will be able to supply the required number of volunteers.

The Lady Secretary in charge of the Ladies Section has also issued to-day an appeal for 200 trained lady volunteers. The latter will be trained daily for a fortnight after enrolment and will wear 'saris' of uniform colour at their own or committee's expense.

Satyagrah Volunteers led by the dictator picketed from early this morning to noon houses of all Liquor Licencees belonging to Bhagnari caste which contains largest number of such licencees in the whole of Karachi and are reported to have got from them pledges not to bid auctions of liquor.

CONVICTIONS GALORE.

A series of convictions of Satyagrahis were made to-day by the City Magistrate, Karachi, who spent the whole day conducting political cases in Karachi District prison.

Shreemati Kashiben Girdharlal Kotak who belongs to the family of Messrs. Kotak and Co., cotton merchants, Bombay, and who has lived in Japan for over two years was convicted. She was the third Lady Dictator, Karachi Satyagrah Committee and was arrested on the 15th instant. She was sentenced to six months' rigorous imprisonment under clause (2) section 17 of the Criminal Law Amendment Act, and placed in 'B' class.

Seth Sukhdeva Odhovdas, nephew of the late Seth Harchandrai, M.L.A. after whom the "Congress Nagar" been named was sentenced to six months' rigorous and Rs. 500 fine under the Criminal Law Amendment Act for being Secretary of the Foreign Cloth Boycott Committee which is declared illegal. He was placd in 'B' class. Seth Govindji Amarse Dayal and Jamnadas Purshotam were sentenced to six months' rigorous each under section 117 I.P.C. for abetment of manufacture of contraband salt from sea water at a public meeting.

PICKETER ON HUNGER-STRIKE.

—:o:—

Congress And Newspapers

KARACHI, February 27.

Political prisoner Sjt. Mahomed Usman who was convicted last Tuesday for theft has gone on hunger-strike. He states he will not take food unless this punishment under false charge is removed. He was alleged to have seized foreign cloth pieces from the possession of one dealer as latter was selling in violation of the pledge.

The seized pieces were returned to the dealer by the Boycott Committee as soon as he gave a pledge to get them sealed. The dealer alleges some of his seized pieces have been missing.

NEWSPAPER PASSES.

Bulletin No. 3 issued by the Reception Committee states that negotiations with railway and steamer companies for concessions in fares are proceeding.

Application from newspapers desirous of attending Congress session has been invited.

STONE HURLED AT PUBLIC PROSECUTOR

—:o:—

Drama In Calcutta Sessions Courts

CALCUTTA, Feb. 27.

Dacca.—A sensation was created this afternoon in the court of the Additional Sessions Judge when an under-trial accused named Mahiuddin, who was charged with the murder of Mukul Chandra Bannerjee, a zemindar of Murarpara during the last communal riots suddenly threw a big broken piece of grinding stone at Rai Bahadur Satyaprassana Ghosh, the Public Prosecutor. Fortunately the stone missed him and fell upon a table of Judge Peshkar and smashed his inkpots.

The Judge immediately drew proceedings against the accused under Section 307 I.P.C. (attempt to murder). It was stated that Mohiuddin went outside shortly before the incident on a plea of easing himself and brought the stone. He had been recently sentenced to transportation for life in connection with another murder case and also to additional two years' rigorous for escaping from police custody.—A. P.

CLOTH DEALERS FINED!

—:o:—

For Stocking Foreigi Cloth

(From Our Correspondent.)

LUCKNOW, Feb. 27.

The Foreign Cloth Boycott Committee re-inspected all cloth shops in the City. Generally all the foreign cloth here was found sealed. Some foreign cloth was found at 4 or 5 shops which was sealed and the shopkeepers were fined.

During the last four days seven volunteers have been arrested while picketing foreign cloth shops. The 'Id' was celebrated by the Lucknow citizens on 20th February when speeches were delivered on Hindu-Muslim unity. Similarly the Holi will be celebrated here on Wednesday.

BENARES STUDENT COMMITS SUICIDE

—:o:—

Because His Dream Of Swaraj Did Not Come True !

CALCUTTA, Feb. 28.

"My life's hopes have not been fulfilled. I thought India would be free soon but prospects seem afar. I hope I will be reborn when my hopes will be fulfilled.", said Birendra Chandra Bhowmick, a first-year student of Bangabashi College who committed suicide on February 21 in course of a letter addressed to his preceptor at Benares. The boy was found in agony in his room and removed to a hospital where he expired shortly. A verdict of suicide was returned at the Coroner's inquest yesterday.—A. P.

No-Tax Campaign In Kod Taluka

DHARWAR, Feb. 27.

In the Kod Taluk, Dharwar District, were the 'No-tax' campaign is going on, because it is economically impossible for peasants to pay only three thousand rupees so far have been collected. Out of the sum of two lacs and thirty thousand, total land revenue, about Rs. 50,000 (water-tax) has been already remitted.

Attachments have commenced the first victim being one merchant. One Patel has resigned as a protest against repression.

New Empire Air Route

—:o:—

LONDON, Feb. 28.

The new Empire air route connecting London with Africa (to be extended later to South Africa) was inaugurated with the departure at quarter to nine this morning of the 9-ton air liner "Croydon" for Mwanza (Tanganyika) carrying mails and freight for India and North and Central Africa. The Indian mails will be diverted at Athens.—Reuter.

WHIPPED NON-CO-OPERATOR TURNS "ANARCHIST."

—:o:—

Information About Chunder Sekar Azad

ALLAHABAD, Feb. 28.

Enquiries show that the deceased in yesterday's shooting incident was undoubtedly Chunder Sekar Azad, son of Baijnath, a Brahmin resident of Benares. He was about twenty-three years old and he left home about eight years ago and engaged himself, it is reported, in communist activities and came to be recognised as a revoluntionary leader. He was sentenced to whipping during the non-co-operation days and was wanted by the police in connection with several anarchical outrages already mentioned.

It is stated that the deceased evaded the vigilance of the police for several years by getting employment as a motor driver and a boatman. It is undrestood that his mother has been informed and she is expected from Benares to-day.

The Students' Association are organising a hartal, a procession and a meeting to-day.

The deceased was supposed to be a very good shot and there are stories that he could throw up a two anna bit and hit it in the air as it descended.—A. P.

MUSLIMS WANT REPRESENTATION IN UNIVERSITY STAFF

—:o:—

Calcutta Senate Discussion

CALCUTTA, Feb. 27.

At a special meeting of the Senate of the Cacutta University this evening the Vice-Chancellor, presiding, the annual report for 1930 was adopted.

Some warmth was imported into the debate when Khan Bahadur Azizul Huq drew attention to the paucity of Mahomedans in the ministerial staff of the University, there being none among the total of 175 members of the staff. He urged the Syndicate to consider the matter and find opportunities qualified Muslim in the tutorial and ministerial staff. Mr. S. N. Mallik endorsed the Khan Bahadur's statement.

Mr. Shamaprasad Mukerjee who formally moved the adoption of the report said it was not a deliberate policy of the University to keep out Mahomedans.

Mr. Huq also drew attention to the large amount of arrears on fees. Government paid to the University Rs. 21,43,000 during each of the last five years from 1925-26 and also a total sum of Rs. 1,68,865 under the contingent liability arrangement, the University applied for grant of Rs. 476,000 for 1930-31 of which Rs. 2,43,000 been paid already.—A. P.

Determined To Accomplish Five-Years' Plan In Four Years

—:o:—

(Through International News Service.)

(By Mail.)

On February 9 there took place the election of the Moscow Soviet which is analogous to the Municipal Council of the city. 95 per cent. of the voters participated in the election as against 75 per cent. in 1928. Of 2,542 members and substitute members elected 66 per cent. are Communists and the rest non-Party people. The majority of the members of the new Soviet are, of course, workers; but this time there has been elected a larger number of engineers, doctors, scientists, writers and artists. This shows that the middle class intellectuals are abandoning their hostility to the new regime which consequently is making room for them. Of the elected members no less than 25 per cent. are women. The election took place with the slogan "Accomplish the Five Years' Plan in Four Years". During the election campaign $4,000 workers joined the Communist Party.

Rugby.—Mr. Snowden, answering a question in Commons said he would give careful consideration to any practicable proposals for stabilisation of silver submitted, but he thought it would be difficult to deal with silver effectively except as part of a wider problem of the general price stabilisation.—B.O.W.

SAVE BHAGAT SINGH AND COMRADES FROM GALLOWS.

Sardar Jamiat Singh of Bombay has gone to Delhi with a petition to the Viceroy for mercy signed by 2-1/2 lakhs of citizens.

APPEAL TO PALGHAT FOREIGN CLOTH DEALERS

—:o:—

To Give Up Trade Or Suspend Till May 5th

(From A Correspondent.)

PALGHAT, Feb. 28.

Sjts. Shyamji Sunderdas and Vithaldas of Calicut accompanied by their wives, paid visit to Vadakkantara village to meet Sjt. Krishhaswamier who is fasting at the temple after attending bhajan. They held a conference with the representative of foreign cloth dealers, residing in village Appadurai. Sjt. Iyer, the Senior partner of Venkuier Brothers, Subbaramier and Subramaniaier were present Sjt. Shyamji appealed to them to realise the trend and gravity of the times and to give up foreign cloth trade and to deal only in Swadeshi or at least suspend their business till May 5th. The merchants gave a patient hearing and promised to give their considered reply.

Khadi sales are going on briskly in village.

CALCUTTA EUROPEANS AND HOME RULE

—:o:—

Alleged Lack Of Facilities To Trade

CALCUTTA, Feb. 27.

Mr. T. Winny presided this evening over the annual meeting of the Calcutta Trades Association and read the speech of Mr. Mark Leslie, the Master of the Association. In the course of the speech the latter said that out of the present trouble and turmoil, it was anticipated that a certain measure of Home Rule would emerge. In that case, he hoped that the Government would pay attention to the interests and safeguards of the minorities in the legislatures. As a business community, they complained of lack of adequate railway communications and postal and customs facilities. Mr. Leslie was re-elected, the Master and Mr. Winny, Deputy Master. —A.P.

Enforcing Law And Order In Benares.

BENARES, Feb. 27.

In view of the apprehensions still existing owing to the recent communal riots and with a view to ensuring peace during the Holi festival the District Magistrate has extended the previous order under Sec. 144, prohibiting the carrying of lathis, swords, spears and all lethal weapons upto March 7. A New order has been issued under the same Section, prohibiting processions unless permission is obtained from the Superintendent of Police and it will remain in force up to March 7. The previous order prohibiting the Assembly of more than ten persons will lapse.

Two persons attacked a telegraph money order peon, Ashraf Ali this afternoon at Brahmaghat and caused him injury. One was arrested while the other absconded. The police are investigating.—A. P.

PROMOTION FOR C. P. MINISTERS.

—:o:—

Members' Strong Protest

MORE TAXES TO BE IMPOSED.

(From Our Correspondent.)

NAGPUR, February 28.

The provision for Ministers' salaries at Rs. 4,000 per month in the budget has created a big storm of opposition from the Democratic Party itself. The democrats urge that in view of the financial crisis Ministers should have shown the spirit of sacrifice and agreed to receive only Rs. 2,000 instead of Rs. 3,000. The proposed enhancement comes as a shock to and the members feel that if both the Ministers would agree to receive Rs. 2,0000 per month there would be a net saving of half a lakh which could conveniently be used for the development of nation-building Departments.

Meetings are constantly held and the leader of the party is trying to check the storm.

A petition signed by about 22 members of C. P. Legislative Council, mostly nationalists and some democrats, was presented yesterday to the President, requesting him to allow discussion on the question of motor taxation under the head General Administration as in the ordinary course that subject would not come up for discussions.

Lobby talks indicate that some prominent Democrats are siding with Government and supporting taxation and it is yet to be seen whether the members of the Council are honest to their electorates in opposing a burden of Rs. 5 lakhs.

The President has not yet given his decision.

MOTILAL PICTURE GALLERY AT LUCKNOW

Kalakankar's Ambitions.

The Private Secretary to Raja Saheb of Kalakankar (Oudh), writes:—

In memory of the late Pandit Motilal Nehru, it is proposed to have at the Kalakankar House, Lucknow, a picture gallery by furnishing the room in which he died, with pictures showing him at various ages and stages of his life.

Gentlemen in possession of any of Panditji's pictures or photographs, are, therefore, requested kindly to send to the undersigned a copy each (which may be returned to them if necessary, after getting their enlargements here) of as many of his different pictures, as they may have got, as early as convenient.

Those desirous of charging a price for their pictures, should please send, first, a detail only of the kind, quality, price, etc., of the pictures they would like to send.

Continental Water Chute For Bombay.

Luna Park, which is now established on the ground in Bazaar Gate Street, opposite the Mint, is providing many new attractions for the Grand Easter Season, which commences on Wednesday next, (4th instant). One of the special features is the opening of the latest Thriller from the Continent, the Water Shute, which has been erected at enormous cost, arrived some weeks ago, together with two mechanics who have worked hard supervising the erection of this mammoth machine so as to have it in operation by Wednesday next. Water Shutes are popular on the Continent.

Rugby.—London underground railway plans to begin work in summer on extension on Waterloo line from Elephant and Castle to Camberwell, green and populous south London Ditrict. The present line links Paddington and Waterloo stations and on the north runs into outer suburbs. The words will provide employment for 4,000 men for two years, and will cost nearly two millions pounds.—B.O.W.

Rugby.—Lady Frances Balfour, widow of the brother of the late Earl Balfour, and daughter of the late Duke of Argyll, died at her London house on Wednesday afternoon, aged 78 years. She was a pioneer of the woman suffrage movement and champion of other causes for the advancement of women.—B.O.W.

POLICE EXCESSES IN CALCUTTA,

—:o:—

Corporation To Enquire

TEGART REFUSES TO COOPERATE

CALCUTTA, Feb. 26.

Following the refusal of the Police Commissioner of Calcutta to nominate two persons to serve on the committee appointed by the Calcutta Corporation to enquire into the allegations about police assaults on the Mayor and others on the indeuendence day on the maidan the Corporation meets on Tuesday next to consider the situation.

Two nominces including Mr. J. N. Basu M.L.C., a delegate to the Round Table Conference also refused to serve on the committee. The motion for presenting welcome addresses to Sir C. V. Raman and Sir J. C. Bose is likely be considered by the Corporation at its next meeting.

STATUS OF WOMEN

—:o:—

Deputation To Lord Sankey & Mr. Benn

LONDON, Feb. 27.

Lord Sankey and Mr. Benn had an informal discussion at the India Office with a deputation, headed by Sir Philip Hartog, representing the group which produced the memorandum on the status of women (cabled on 17th December).—Reuter.

LEVY OF AUDIT FEES.

Co-operation Institute's Constitutional Protest.

The Hon. Secretary, Provincial Co-operative Institute, Bombay, has written to the Government under date February 26, protesting against the levy of fees on all Co-operative Societies from April 1, 1931. The following are the relevant portions of it:—

The question of supervision charges and audit fees was fully discussed at the Provincial Conference and the following resolution was passed with the concurrence of the Registrar:—

ITS DECISION.

"In view of the urgent necessity of providing efficient supervision of primary Agricultural Societies and the desirability of continuing the privilege of free audit in the present state of the movement, this Conference recommends to the Government that:—

(a) Free audit should continue to be provided by Government as has been recommended by the recent Registrars' Conference held at Simla in October, 1928.

(b) Simultaneously with the continuation of the privilege mentioned in (a) every Primary Agricultural Society now enjoying free audit, so long as such free audit continues, should compulsorily contribute for supervision at the flat rate of half per cent. of its working capital and the suppervision fees thus contributed by the said societies should be pooled together in one fund for each district and administered by a District Supervising Committee consisting of the Assistant Registrar of the Division, one representative of the District Branch, and one representative of the Supervising Unions of the District, and one representative of the Central Financing Agency, if it contributes to the Fund. The Registrar is further requested to organise a scheme for the creation of a Central Cadre of Supervisors in consultation with the Provincial Institute."

COMMITTEE'S PROTEST.

The Registrar supported this resolution and sent it to Government for approval. My Committee beg to protest that instead of adopting the course recommended above, Government should have thought it proper to direct the levy of audit fees on all societies without previously consulting the Institute, particularly inasmuch as the proposals agreed to between the Institute and the Registrar have been wholly set aside.

My Committee would like to point out that the above fee will cripple the resources of the societies and will adversely affect the work of supervision through Supervising Union which is considered by all co-operators to be most essential for the efficient working of the societies.

REMOVING DISTRUST AND RESTORING GOODWILL

—:o:—

Willingdon's New Task In India

HE WANTS PRAYERS TO HELP THEM

LONDON, Feb. 28.

Lord Willingdon was cordially welcomed by his old constituents at Hastings after an absence of some sixteen years, on the occasion of laying the foundation stone of a building, which is to be a permanent home of two notable collections of the late Lord Brassey namely, firstly wonderful Indian carved woodwork which lined the walls of the so-called Durbar Room of Lord Brassey's home in London and secondly, varied collection of cruious which Lord Brassey had acquired during the voyages of Sunbeam.

DISTRUST AND SUSPICION.

Before the ceremony Lord Willingdon, accompanied by Countess Willingdon, was accorded a civic welcome at the Townhall. Responding to the Mayor's congratulations on the appointment of a Sussex man and woman to their high offices, Lord Willingdon recalled his receiving the freedom of the borough on his return from Madras.

He thanked the Mayor and citizens for their good wishes in his great task in India and asked for "your thoughts and prayers to help us in our work to get rid of the distrust and suspicion, restore goodwill and friendship among all communities in India." (Applause). —Reuter.

MUSSOLINI-HENDERSON DISCUSSIONS

—:o:—

Great Secrecy Observed

LONDON, Feb. 23.

Signor Mussolini last night attended a dinner at the British Embassy, Rome, in honour of the British Ministers conducting the naval negotiations.

The Foreign Secretary, Mr. Henderson, and the Duce afterwards had long conversations. The discussions were renewed today between Mr. Henderson and Signor Gandi as well as between naval experts and it is expected that the British Ministers and their staff will leave Rome to-day.

It is unknown at present whether they will break their journey homeward at Paris. So far complete secrecy has been maintained about the conversations due to the delicacy of their nature and the necessity of informing and consulting the United States and Japanese Governments on any developments.—B. O. W.

MADRAS PICKETING STILL GOING STRONG

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Police Arrest 8 And Injure Two

MADRAS, Feb. 28.

Two batches of volunteers picketed foreign cloth shops in Rattan Bazaar and Godown Street this afternoon. The police forcibly dispersed the first batch and arrested the second batch of eight volunteers. Two volunteers were injured while being dispersed and were admitted to the Congress Hospital.

Srimati Ambujammal and another lady continued picketing a shop in Rattan Bazar. In the evening a large crowd collected in the vicinity, but the police did not interfere.—A. P.

SPECIAL PRAYERS FOR PEACE.

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A Gorakpur correspondent, writes:—

"Having received wonderful response to his prayer for peace Swami Sadananda, editor "Message" will devote another week commencing from 5th March for special prayer for peace. He will be closeted within his room at the Ananda Ashram, Gorakhpur from 8 to 9 p.m. (S. T.) for the purpose. All who want to join him are invited to keep themselves within closed doors simultaneously concentrating their minds on peace and repeating the 'muntra' "Om Shanti" or its equivalent word during the period.

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